



GOVERNMENT OFFICE  
FOR THE NORTH WEST

# Working Together, Better Together A Regional Compact.

A framework for strong and effective relationships between  
the third and the public sectors across the North West.



The official signing of the North West Regional Compact 5 November 2009.

From left to right: James Hadleigh (North West Network), Phil Easton (4 North West), Richard Caulfield (Voluntary Sector North West), Liz Meek (Government Office North West), Val Jones (Social Enterprise North West), Mike Farrar (NHS North West), Paul Harris (One North West), Steven Broomhead (North West Development Agency)

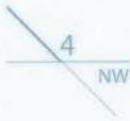


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## **Introduction**

### **What is a Compact?**

A Compact is an agreement between government and the third sector to improve their relationship for mutual advantage and community gain. These agreements include shared values, principles and commitments and set out guidelines for how both the public and third sectors can work together.

Compacts can be national, regional or local. A National Compact has been in existence since 1998.

### **Five Codes of Practice underpin the National Compact. They cover:**

- Black and Minority Ethnic (BME) Voluntary and Community Organisations
- Community Groups
- Consultation and Policy Appraisal
- Funding and Procurement
- Volunteering

### **The Compact and its Codes apply to:**

- Central Government Departments, including Government Offices for the Regions
- Executive Non-Departmental Public Bodies, which have a relationship with the voluntary and community sector
- A range of organisations in the voluntary and community sector

### **How the National, Regional and Local Compacts fit together**

The National codes around policy appraisal, consultation and community groups apply to this Regional Compact.

The Regional Compact will advocate and champion local Compacts and is not designed to replace or monitor the effectiveness of the local agreements.

The Regional Compact is an agreement between the regional organisations and agencies that have signed up to the document.

## **Aim of the North West Regional Compact**

The aim of the North West Regional Compact is to help build effective partnership working that supports and makes best use of a thriving third sector in the North West.

This is a joint responsibility of both third sector and public sector partners, founded on the recognition that a thriving third sector is of benefit to public sector agencies, agreed regional objectives, and the people and communities of the North West.

Action Plans to deliver the principles and commitments in the Compact will be developed by each of the Compact partners, monitored and activity reported against the action on an annual basis.

## **Context: The North West**

The North West has a population of 6.9 million people and a Gross Value Added (GVA) of over £110bn per annum, third only to London and the South East. However, there are 959,000 economically inactive people of a working age, second only to London. Poor health (only South West worse) and health inequality are major factors. Nationally, just under a third of North West local authority areas feature in the fifty worst performing, according to the latest Index of Multiple Deprivation.

Real improvements have been made in recent years in economic performance, health, education and crime, but the North West still underperforms national averages and inequalities persist between different parts of the region. Overall, the North West is the third slowest growing region.

There are significant issues around transport and housing affordability. Our population is ageing and the region is becoming more culturally and ethnically diverse. International immigration offers great opportunities but also brings challenges for public service delivery and community cohesion.

## **The Third Sector<sup>1</sup> in the North West**

In terms of paid third sector staff, the North West has the fastest growing regional third sector in the UK. Added to this are significant numbers (100,000s) of volunteers.

There are now 64,000 paid third sector staff working for at least 31,400 third sector organisations with a combined income, in the North West, of over £3.2bn<sup>2</sup>. Despite this, third sector employment in the North West (in comparison to national third sector employment rates) is still under-performing.

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<sup>1</sup> The Third Sector is defined as local community and voluntary groups, registered charities, foundations, trusts and the growing number of social enterprises and co-operatives

<sup>2</sup> The Third Sector is defined as local community and voluntary groups, registered charities, foundations, trusts and the growing number of social enterprises and co-operatives  
Further details and evidence sources are available from VSNW. Email: [policy@vsnw.org.uk](mailto:policy@vsnw.org.uk)

## **Regional Public Agencies in the North West**

There are a number of public agencies operating across the North West. A number of these are national organisations who deliver regionally whilst others have a specific North West remit. The public agencies include;

- NHS North West,
- 4 North West,
- North West Development Agency,
- Government Office North West,
- Job Centre Plus and
- National Offender Management Service (NOMS)

Together, these agencies make an annual investment of millions into Englands North West.

## Shared Understanding

1. Compact Partners :
  - recognise the importance of working together
  - value honest and open communication
  - are committed to continually improving relationships with each other.
2. The Compact is based on a shared understanding of the different but complementary functions of public and third sector organisations.
3. The Compact recognises that all partner organisations, including the private sector, make a major contribution to developing the social, environmental, cultural, economic and political life of the North West.
4. Compact partners are committed to the principles of the UK Sustainable Development Strategy<sup>3</sup> achieving a strong, just and healthy society that lives within environmental limits, by means of a sustainable economy, good governance and responsible use of sound science. As frontline organisations and groups, the third sector is one of the most direct contributors to achieving these aims.
5. Partners recognise that third sector organisations are independent, not for profit organisations, governed by volunteer trustee boards or committees and/or terms of reference. Many, but not all, will be registered charities. Those who are not registered charities tend to be community groups that are usually small, extremely modestly funded: grant and volunteer dependant. They are value based organisations motivated by principle, which form to meet specific interests or address local issues. The sector is varied in the areas in which it works, its activities and its users.
6. Partners recognise that an independent, diverse and effective third sector is vital to the sustainability and well-being of society.

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<sup>3</sup> Securing the Future The UK Government Sustainable Development Strategy. Department for Environment, Food and Rural Affairs March 2005

7. Partners recognise that the public sector is made up of those organisations created through Acts of Parliament recognising those organisations in public sectors may only work within specified legislative frameworks. They are responsible for developing the social well-being, economy, environment and health of the general population.
8. The Compact recognises the role of the third sector in facilitating effective consultation with (or involvement of) equality target groups in shaping the equality schemes or auditing the equality impact assessments of public sector organisations.
9. Compact partners understand that regional offices of national public agencies are not always able to change working practices. Where decisions are made at a national level, regional partners will work to build a case for change.
10. Partners recognise the third sector works with some of the most vulnerable people in society to make their voice heard. Partners will enable the sectors important campaigning function of third sector organisations.

## Shared Principles

Compact partners share the following principles. They are all equally important.

1. An independent, varied and successful third sector, and the ability and right of people to take action voluntarily to benefit their quality of life, their communities and groups, is vital to the wellbeing of society.
2. Effective consultation with all stakeholders builds relationships and leads to better policies and better decisions.
3. Partnership working based on good practice generally achieves more than organisations working individually.
4. Different organisations and different sectors have different ways of being held responsible for their actions, however, partners share a common commitment to honesty, openness, sharing information (within the boundaries of the law) and effective leadership.
5. The ability and right of third sector organisations to lobby, campaign<sup>4</sup> and speak on behalf of particular communities, including communities of interest and identity, (for example, groups of young people or religious groups), is welcomed and respected.
6. In the area of delivering public services, the Government, statutory organisations and third sector organisations have different but complementary roles.
7. A commitment to promote equality of opportunity for everyone and to recognise, respect and celebrate how differences strengthen the North West region.
8. A recognition that because of the geography, scale and population of the North West, particular effort is often needed to involve, represent and understand the needs of specific sub-sectors, groups and communities.
9. A commitment to improving working practices, reducing the amount of work that is repeated unnecessarily and increasing the efficiency of activities.

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<sup>4</sup> There are restrictions on Local Authorities to fund organisations for campaigning or publicity purposes

10. A commitment to deliver against the four priorities set out in the UK Sustainable Development Strategy :
  - sustainable consumption and production,
  - climate change,
  - developing sustainable communities and
  - natural resource protection.
11. A shared and equal responsibility amongst all partners to build and maintain the Regional Compact as an effective way of strengthening and improving relationships by supporting and maintaining the processes associated with it.

## Commitments

**Public Sector** : Compact partners agree on the following commitments by Public Sector organisations:

1. Respect and support the independence of the third sector, including its right within the law to campaign and to challenge policies.
2. To engage and work with third sector organisations to better understand the views of citizens, communities, thematic interest groups and sub sectors to create opportunities for them to influence policy development and implementation.
3. Where a decision is likely to have a significant effect on the third sector, (major policy changes for example) to consult widely, appropriately and early enough, allowing a minimum of 12 weeks.
4. Develop appropriate funding models and programmes which improve the financial stability of organisations and support long term planning. Where possible, regional partners will look to develop funding agreements that should last for at least three years, and preferably longer whenever possible.
5. Promote full cost recovery principles in preparing project budgets, funding and commissioning processes.
6. Will make payments promptly and in advance of expenditure (where appropriate and necessary) in order to achieve better value for money.
7. Ensure there is a minimum bureaucracy associated with application, qualification, monitoring, report and audit processes and encourage adoption of good practice frameworks so that they are appropriate to the level of funding.
8. Undertake best practice in the promotion and celebration of volunteering.

9. Commit to using procurement as a tool for securing sustainability in Third Sector organisations.
10. To recognise, value, promote and work with the full range of the third sector, in line with public sector bodies' equality and diversity policy statements.
11. To create opportunities for effective third sector representation at regional decision making and policy planning boards and networks thus providing structures for continuous third sector inclusion, beginning at the initial stages of regional policy. In addition this will be augmented by a process of further consultation with the wider third sector in the region.
12. To carry out equality impact assessments on projects and funding proposals

## Commitments

**Third Sector:** Compact partners agree on the following commitments by the Third Sector;

1. To operate through open and accountable organisations, which aim to maintain high standards of service and governance.
2. To ensure policy positions within the sector reflect the needs of individuals, groups, communities and sub-sectors.
3. Third sector organisations respect the role of public bodies to make and adhere to policy decisions and to manage public expenditure appropriately.
4. On entering a public sector financial agreement third sector organisations will ensure they are eligible, have the capacity to deliver, have clear lines of accountability and, appropriate to the level of funding, clearly set out the outcomes which will be delivered and have a real understanding of cost bases and the proper application of full cost recovery.
5. Appropriate to the level and profile of funding, have robust monitoring, evaluation and financial management systems which provide accurate and timely information to regional funders and account for public funds and encourage adoption of good practice framework.
6. To implement and maintain best practice in the promotion, development and celebration of volunteering.
7. Evidence how work undertaken promotes equality and diversity, community cohesion and social inclusion.

## Equality and Diversity

Compact partners recognise that the North West has a diverse population. This means that we are different from one another and that this difference adds value and depth to the region resulting in a positive, social, economic and cultural effect on the region. The partners agree to value these differences by practising and promoting equality and diversity.

Compact partners will promote equality of opportunity for everyone in the North West. Working with the North West Equality and Diversity Group, the partners will aim to:

1. End unlawful discrimination by complying with all relevant legislation and codes of practice including the newly published Single Equality Bill.
2. Ensure that partners wherever appropriate identify opportunities to promote equality, cohesion and social inclusion.
3. Work with equality strands (gender, disability, BME, sexual orientation, age, religion and belief) and communities to provide equal opportunities for everyone and to tackle discrimination together
4. Produce and work to an equality and diversity code based on the new Equality Framework.
5. Recognise that working in partnership with the third sector can be an effective means to:
  - support social inclusion
  - support social regeneration
  - tackle poverty
6. Partners will adopt the national Compact BME code of practice and any other code of practice developed to address the needs of vulnerable groups including communities across all the equality strands of gender, disability, BME, sexual orientation, age, religion and belief

7. Partners will address the challenges and opportunities of demographic change and an ageing population by supporting the implementation of the Regional Framework for Ageing and adopting the principles of age-proofing.
8. Partners will promote equality and diversity by ensuring that their organisations carry out appropriate monitoring and equality impact assessments to inform the development of their business and action plans.

## **Funding, Commissioning and Procurement**

Partners agree to improve the funding relationships between each other, and to work together to make sure that national decisions on funding and resources are based on a full understanding of the needs of the North West. Partners endeavour to ensure that the region receives a fair share of national resources.

1. Partners will develop a funding, commissioning and procurement code to provide a clear framework for effective funding relationships. It will include the main principles and values summarised below.
  - a. The public sector value and third sector demonstrate voluntary and community sector expertise in strategic commissioning cycles
  - b. Ensure the third sector has an equal opportunity to provide services to, or on behalf of, the public sector
  - c. That public sector agencies, where possible, seek to pass on to prime contractors an obligation to be (regional) compact compliant
  - d. That procurement, contracting and commissioning procedures do not discourage consortia bids
  - e. Review the balance between outcome and output needs in funding relationships and monitoring requirements are proportionate to the level of resources.
  - f. Make sure there are clear processes for providing funds, including equality impact assessments so that all appropriate organisations have a fair opportunity to secure funding and contracts.
  - g. Adopt best practice in managing funding programmes, including publishing assessment standards, providing feedback on unsuccessful applications and providing advice and support.
  - h. Share information and work with other funders to reduce the amount of work that is repeated unnecessarily, streamline funding processes and develop common approaches to the benefit of applicants.
  - i. Encourage full cost recovery principles in preparing project budgets and funding applications.

- j. Aim to develop funding programmes and processes which improve the financial stability of organisations, and support long-term planning. Where possible, funding agreements should last for at least three years, and preferably longer periods whenever possible.
- k. Inform third sector organisations about changes to funding arrangements as soon as possible, and well before the end of any grant period.
- l. Ensure that good quality assurance and management systems are included in their programmes, schemes and projects.
- m. Consider other support methods – for example, rent-free or reduced-rate premises, free or reduced-rate training, seconding staff and donating equipment.
- n. Ensure funding arrangements and procedures are clear and understood at the beginning of any financial relationship.
- o. Provide support for commissioning processes where appropriate.
- p. Use funding relationships to build the resilience of the third sector
- q. Increase the awareness and importance of social value, Social Return on investment (SROI) and the multiplier effect of local money flows in procurement and commissioning conditions.

## **Volunteering**

Compact partners recognise that people have a right to be active in their communities and wider society and value the important contribution that volunteering makes to the quality of life in the North West. Compact Partners make the following commitments:

1. Volunteering is the result of a free choice by the volunteer
2. Volunteering is open to everyone
3. Volunteering should be of mutual benefit: Both volunteer-involving organisation and volunteer should benefit from the relationship
4. The value of volunteering should be recognised, economically and socially
5. To support people's ability to volunteer
6. To develop a better understanding of volunteering and the benefits of volunteering in the North West
7. To promote volunteering

## **Monitoring and Reviewing the Regional Compact**

The Regional Compact has been developed by a working group comprised of regional public organisations and regional third sector networks. The group will take overall responsibility for monitoring the Compact's effectiveness and proposing changes to the Compact itself. This group will meet at least quarterly.

Non-compliance with this Regional Compact means the public and third sectors and local communities will lose out. The Regional Compact Working Group will offer challenge and support to partners to implement the Compact in the role of a critical friend rather than 'Compact police'.

Partners recognise that the Regional Compact is not a one off document and is part of a process for continuously improving relationships and partnership working between the government, public sector agencies and third sector organisations.

The Regional Compact Working Group will

- prepare and review Action Plans for implementing the Regional Compact
- develop appropriate standards by which the effectiveness of the Regional Compact can be measured every year
- promote the Compact wherever possible via presentations to regional/public agencies
- promote the compact within their organisations and share information with staff and members.
- Raise awareness and understanding amongst staff within their own organisations for them to work in a Compact compliant way
- seek feedback from their organisation or network on the Compact.

Regional voluntary and community sector networks may use their annual conference, annual general meeting or other appropriate event to report and get feedback from the wider third sector on how the Regional Compact works. Other partners will use reporting and feedback systems appropriate to their own organisations.

## **Conflict resolution**

All partners are committed to settling disagreements, recognising where improvements are needed and learning.

If the understanding, commitments or principles of the Regional Compact are not followed this should be reported to the appropriate partner organisation which has a duty to share this information with members of the Regional Compact Working Group.

If there is a disagreement between compact partners the following process will apply:

- The partners involved in the disagreement will try to settle matters between themselves.
- If this does not succeed:
  - The Compact Working Group will try to mediate to settle the disagreement
  - If this fails the matter will go to the National Compact Mediation Service or an agreed independent mediator.

These cases will be considered as part of an annual monitoring review of the Regional Compact.

# Glossary of Terms

## **BME groups**

Black and Minority Ethnic third sector groups.

## **Community Cohesion**

Promoting greater knowledge, respect and contact between various cultures and establishing a greater sense of citizenship.

## **Full Cost Recovery**

Full costs are the direct costs of the project or service plus a relevant portion of organisations overheads.

## **Governance**

The systems and processes for how an organisation is run, including how it conducts its business.

## **Public Sector**

All local statutory public sector organisations including the local authority, primary care trust, other NHS trusts, emergency services, colleges etc. The national public

sector comprises government, non departmental government bodies such as regional Development Agencies and various other statutory bodies. Is often also referred to as 'the State'.

## **Stakeholder**

Person or group that has a vested interest in, and is potentially able to influence, the work of an organisation or the delivery of a service.

## **Third Sector**

The range of institutions which occupy the space between the State and the private sector. These include small local community and voluntary groups, registered charities both large and small, foundations, trusts and the growing number of social enterprises and co-operatives.

**Compact guidance and Codes:** [www.thecompact.org.uk](http://www.thecompact.org.uk)

- Black and Minority Groups: code of good practice
- Community Groups: code of good practice
- Consultation and Policy Appraisal: code of good practice
- Funding and Procurement: code of good practice
- Volunteering: code of good practice
- Code Champions
- Local Codes of Good Practice
- The Concise Compact Guide