

## Preston Compact with the Voluntary & Community Sector

### *Introduction*

The Public Sector Partners via the Preston Strategic Partnership adopted a compact with the voluntary and community sectors (third sector) in October 2003. This latest version of the Compact is the product of a comprehensive evaluation undertaken by the partners which resulted in the compact being amended and updated. The most notable addition to the compact is section which deals with procurement issues and the implications that these have for relationships between public and voluntary and community sector organisations.

The Compact plays an important role in setting out the principles and guidelines that act as a framework for good relations between the Third Sector and the Preston Strategic Partnership. It aims to improve working relationships, establish best practice in partnership working and seeks to ensure the structural and economic development of organisations and groups within the Third Sector. It also provides a framework for the development of strategic and operational plans and policies. It must be recognised that the Third Sector has a range of fora, each of which has its own membership and the compact is not prescriptive about any individual section or relationships between those sections and the public sector.

Both sectors will now need to take specific steps to publicise and utilise this compact within their own organisations.

### **Definition of Terms**

Throughout this compact certain terms are used which the definitions are given below:

The **Third Sector** is the 'not for profit' sector that comprises community and voluntary groups, social enterprise organisations, faith groups and tenants and residents organisations.

The **Public Sector** is made up of those organisations that have a statutory responsibility to provide services using public resources, such as local or national taxation.

**Volunteers** are people who, unpaid and of their own free will, contribute their time, energy and skills to benefit people in the community. It is something an individual chooses to do without duress or coercion. There is no payment or

expectation of payment other than reimbursement of expenses, which ensures volunteers are not out of pocket as a consequence of their volunteering. Every individual has the right to volunteer.

**Diversity** is about mutual respect and appreciation of the similarities and differences that make people unique.

## **Investment**

In the context of this compact the term investment is used as a blanket term for funding, procurement and capacity building.

## **Funding**

Funding is cash resources provided by the public sector to the voluntary and community sector to enable them to both operate effectively and/or deliver services.

## **Procurement**

Procurement is defined as the process of acquiring goods, works and services from third party and in-house suppliers to achieve the best value for money in terms of costs, benefits and risks to meet the needs of all stakeholders and the objectives of the community strategy.

**Capacity Building** has been defined by the Community Development Foundation (CDF) as: "Development work that strengthens the ability of community organisations and groups [formal or informal in nature] to build their structures, systems, people and skills..."

## **The principles that underpin this Compact**

- That only through joint working between all sectors can the Preston Strategic Partnership combat social exclusion within Preston;
- That each sector plays distinct but complementary roles in the development and sustainability of a socially inclusive society;
- The importance of promoting equality of opportunity for all, regardless of race, faith, age, disability, ability, culture, gender or sexual orientation;
- That effective partnerships are based on equal rights and responsibilities, mutual respect, recognition of differences as well as similarity of purpose and ways of working;
- That the Sectors must work together to ensure community engagement and involvement in decision-making;
- That the statutory partners invest in the Third Sector to fulfil its potential;
- Special efforts must be made to include groups who have previously been excluded from decision-making structures;
- All partners must strive towards integrity, objectivity, transparency, accountability and honesty in all their dealings;
- That the Third Sector must be actively encouraged to develop new and innovative ways of working, that fill gaps in service provision, and provide best quality services for the people of Preston;
- That the independence of the Third Sector is crucial to ensuring that it can play a full role in both joint and collaborative working and in campaigning against and challenging policies.

## **Themes**

The underlying principles of the Compact are given on page 2. In the second part of this document, the four thematic codes that make up the Compact; Consultation, Diversity, Investment and Volunteering are explained in more detail and are shown with their own specific set of principles.

### **1. Consultation**

Consultation is a vitally important aspect of democracy. It helps to ensure services provided by partners are relevant to local needs and offer value for money. Suggestions and feedback from the people who use them can also improve services. This enhances not only the well-being of the district but it is central to achieving social inclusion, participation and involvement.

The City has many strengths. However, some areas of the City and sections of the community often experience isolation and unacceptable levels of deprivation. Involving local people can help to tackle both this isolation, and help in the development of appropriate plans for improvement. The Partnership wants to encourage participation by under-represented groups generally. As the Third Sector itself is closer to its particular client group, has greater expertise and can be more flexible and innovative than the public sector, the partnership recognises the need to provide support to assist local groups and their client base to get involved.

#### **The principles of consultation.**

The Partnership will:

- Seek to determine before starting any consultation, whether it is required, i.e., not already done elsewhere in Council or by other organisations.
- Employ a range of methods of consultation
- Involve the Third Sector in the selection of topic and the design and type of consultation to be used
- Where possible, commission the work from within the sector itself
- Co-ordinate consultation work with partners wherever possible
- Be clear about the extent of influence being offered in any consultations
- Provide support (within the resources available) to the groups we regularly ask to participate
- Provide feedback on the results of the consultation
- Ensure value for money is achieved
- Set clear and reasonable timescales for responses to consultation documents
- Take all reasonable action to elicit the views of marginalised groups and individuals (for example by producing documents in alternative formats)
- Make consultation documents widely available and available on the web sites of partners
- Take all responses received into account
- Aim to ensure all voices are heard
- Provide support to assist local groups and people to get involved.

## **2. Diversity**

The Third Sector plays a crucial role in helping to reach some of the most socially excluded groups in any community, combating discrimination and disadvantage, and providing vital services to their communities. Despite their work with a diverse range of groups and communities, many individuals not accessing services feel that they are outside the traditional structures of the public sector. This Compact attempts to provide a framework for ensuring that support for, and the involvement of, these individuals are brought more into the mainstream.

### **The principles of diversity**

The public sector will:

- Ensure that its policies and practices do not exclude people not presently accessing services
- Make information available in appropriate formats for those that require it.
- Ensure that the public sector has in place codes of practice in relation to the 'third sector', and that the third sector plays an integral part in creating one if none exists.
- Ensure that the public sector has in place relevant Equality and Diversity Schemes and that the third sector plays an integral part in creating one if none exists
- Operate these schemes in a transparent and accountable manner and that the third sector is at the heart of scrutiny.
- Constantly strive to engage the third sector in its work and regularly monitor any gaps in representation.
- Recognise and celebrate the diversity and value the potential and success of the 'third sector' through support in formal and informal various ways.
- Acknowledge the independence of the third sector and support it in challenging ineffective methods and ways of working that act as barriers.

The third sector will:

- Maintain active partnership with the public sector to provide relevant information affecting people not currently accessing services.
- Actively work with the public sector to provide input from stakeholders.
- Provide a framework for consultation with relevant organisations and groups on the design and evaluation of surveys and questionnaires and how information is fed back.
- Advise on the requirements for information to be available in appropriate formats for those that require it.
- Actively work with the public sector to ensure and monitor codes of practice in relation to diversity, or develop one if none exists.
- Actively work with the public sector to monitor Equality and Diversity Schemes or develop one if none exists
- Constantly strive to engage its members in accessing mainstream services and funds, helping to monitor active representation and highlight any gaps.
- Work with the public sector to ensure that effective links are maintained and reviewed in relation to strategic bodies

### **3. Investment**

The provision of public sector investment in the Third Sector is significant in many ways. The partnership recognises that grant aid, the opportunity to procure to deliver services and the provision of capacity building support are all vital to a vibrant Third Sector.

Many Third Sector organisations are used to either project based or "year on year" funds. While this is important, it is the long-term, core funding that is of greater concern. An active and developing Third Sector must also be seen as a provider of services not simply a passive recipient of grant aid. Procurement policies therefore should recognise the value of the Sector in providing quality cost effective and targeted services. A well-resourced 'third sector' is crucial to the development of an effective and inclusive mixed economy of service provision.

#### **3.1 Funding**

The principles of funding

The partnership will:

- Support the Third Sector in the provision of services to local people through funding
  - Enable new projects and initiatives to be progressed through the provision of pump priming funding
  - Provide core funding for strategic groups that contribute or help the Public Sector achieve their key aims and objectives
  - Ensure that core funding will include funding to cover not only salary costs but also ancillary costs such as accommodation, administration and management
  - Attract and encourage external funding into the City, by providing match funding for applications to other bodies
  - Recognise both the unique position and importance of Third Sector in the local delivery of services
  - Promote joint funding initiatives among its members (including improved co-operation and consistency between departments and promote a joint approach to monitoring and evaluation)
  - Encourage value for money by simplifying application procedures.
  - Establish (and provide support to enable) procedures that are consistent with the principles of good regulation and the need to provide effective protection of, and proper accountability for, public money.
  - Respect the Sector's independence.
  - Recognise core costs and the different ways these can be met by improved sustainability and longer term planning, for example, through multi-year and a rolling programme of funding
  - Promote fair access to strategic, project and contract funding.
  - Make all application procedures, policies and practice clear and unambiguous
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- Each public sector partner should produce an annual summary of that funding broken down into core, project, short and long term funding, as well as applications refused and the overall trend of investment

The Third Sector will:

- Demonstrate sound governance of their organisation when seeking investment from public sector partners
- Ensure effective financial control of investment, including the principles of restricted investment
- Be open and transparent on issues of finance and accounting
- Be accountable for investment received
- Seek to meet all reporting requirements
- Recognise financial and other constraints on public sector bodies when decisions are made regarding third sector investment

### **3.2 Procurement**

The public sector spends many millions of pounds each year providing essential services to tens of thousands of people every day.

Organisations that comprise the PSP need to ensure that they are achieving value for money. It is important therefore, that procurement practices match up to the best of both the public and private sectors.

The traditional approach to individual purchasing decisions, with partners often buying the same things, means that collective buying power and the ability to negotiate lower prices or work with suppliers to develop better services is not realised.

The partnership therefore needs to adopt the following principles to ensure that best value for money is achieved.

#### **The Principles of Procurement**

- Focus on outcomes; the end benefit for all communities is the ultimate aim of expenditure so that Value for Money is achieved.
- Simplicity and proportionality, processes within procurement cycles need to be as simple as possible and proportionate to the size of the organisation and the amount of money involved.
- Consistency and co-ordination, procurement managers should endeavour to join up or standardise elements of the procurement chain to minimise the burden on voluntary and community sector organisations.
- Timeliness, forward planning and publicising procurement opportunities to enable sufficient resource planning prior to the bidding process.
- Transparency and accountability, to allow informed decisions about spending priorities, supply chain management and to enable learning from previous work.
- Communication, understanding the needs and requirements of the parties to procurements by open dialogue will help to build trust and can identify and overcome potential problems before they impact on the achievement of outcomes.

### **3.3 Capacity Building**

Capacity building can take many forms but evidence collected nationally suggests capacity building is becoming essential for the effective implementation and sustainability of regeneration programmes.

Capacity building work needs to be carried out to ensure that voluntary and community sector groups:

- Are offered training, information, guidance and support that enables them to define and achieve their objectives
- Effectively engage in consultation and planning
- Can manage community projects and play an integral part in partnerships and community enterprise
- Are able to assess the suitability of, monitor and evaluate projects and schemes

Capacity building is nothing new in Preston. Over several years this Council and other agencies, voluntary and statutory, have embarked on such exercises. However, these programmes have tended to be fragmented and issue specific. The addition of this issue within the Compact aims to help it become more systematic, comprehensive and forward looking.

#### **The principles of Capacity Building:**

- Capacity building is not solely related to the community. Partnership working is a skill that every sector may need to develop.
- The community and voluntary sector has a wealth of skill, knowledge, awareness, energy and ideas to contribute to the regeneration of neighbourhoods and communities in Preston. Capacity building strategies and provision needs to recognise this resource and build from strengths.
- Capacity building should be organised in a way that values and appreciates cultural diversity, drawing on different cultures and traditions to contribute to best practice.
- Capacity building also needs to be organised in a way that recognises discrimination and exclusion experienced by many groups, and tailored to the needs of different groups.
- The level of resources for capacity building needs to grow in line with the growing pressures on and expectations of the community and voluntary organisations to participate in partnerships and initiatives.
- Capacity building provision should be based on proper assessment of the needs of the community and voluntary sector and, where possible, groups and organisations should be supported in drawing up their own capacity building plans. Consequently, it should be properly resourced and planned for from an early stage.

## **4. Volunteering**

It is now widely acknowledged that volunteering plays an important part in a democratic society. It is an opportunity for people to use their skills, knowledge and experience for the good of their wider community. In turn it also helps people to gain skills, knowledge and experience which they find personally beneficial in a variety of ways (e.g. improved access to employment, reducing their social isolation)

Active citizenship and community involvement is now recognised as vital for the success of regeneration initiatives – local people having first-hand knowledge of their neighbourhood, its residents, and a unique insight into its problems and how to address them.

### **Volunteering in Context**

The Preston Strategic Partnership has contact with volunteers in two ways:

- Directly:- through the voluntary and community sector representatives on the Preston Strategic Partnership and Thematic Working Groups
- Indirectly:- through individual partners' relationships [e.g. through funding agreements] with voluntary/community sector organisations which use volunteers.

It should be noted that some statutory organisations also use volunteers: e.g. Social Services and they should adhere to the same standard of good volunteer practice as required of the Third Sector organisations.

### **The principles of volunteering**

The Preston Strategic Partnership will:

- Acknowledge Preston Community Network as the 'link' between the Preston Strategic Partnership and the local voluntary and community sector, and work with the voluntary and community sector representatives through the Network
- Keep the voluntary sector informed of relevant initiatives, issues and policies
- Ensure that volunteers and volunteer representatives have the information and support to fulfil their role effectively
- Recognise the unique knowledge, skills and insight which volunteers bring to the Partnership and the Public Sector generally
- Appreciate that the representatives of the Third Sector may have different but equally professional and valid ways of working to those of other partners (public and private sector)
- Endorse the importance and appropriateness of volunteering in providing certain services to the community
- Acknowledge and celebrate the contribution made by volunteer hours to the local economy
- Accept that using volunteers, whilst cost-effective, does incur costs to voluntary organisations and reflect this in funding criteria
- Partners should strive towards enabling their paid staff to take paid or unpaid leave so that they can pursue volunteering opportunities. This would see an increase in young people volunteering, thus redressing a current imbalance.

The Third Sector will:

- Adopt the principles and standards of behaviour as stated in the Partnership Charter
- The Preston Community Network will attempt to ensure their representatives are truly representative of the local community and actively encourage involvement from marginalised groups
- Preston Community Network will actively encourage people from areas of the City where there are high levels of deprivation to become involved as Preston Strategic Partnership and TWG representatives
- Adhere to standard good practice in using volunteers

### **Recourse**

It is recommended that use is made of existing public sector partners' own complaints/appeals processes if disputes concerning the application of this compact arise. It is essential that public sector partners include a paragraph within applications for funding, showing clearly how and where to appeal.

It is also proposed that the Community Network be a point of contact for recording and signposting for VCS organisations in cases where they felt the Compact had been breached, and that the Community Network holds a list of contacts within the public sector partners to whom the VCS could turn in the case of dispute.

### **Conclusion**

This Compact will be reviewed on an ongoing basis.

Version 1

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