

# The Compact

The Coalition Government and civil society organisations working effectively in partnership for the benefit of communities and citizens in England.



## Message from the Prime Minister

The Compact plays a crucial part in improving the partnership between government and civil society organisations, for the benefit of citizens and communities. Looking forward, the role of this sector has never been more important. Building the Big Society and getting citizens more engaged, involved and responsible for the communities around them will only be possible in partnership with the sector; improving and delivering better, more responsive public services can only be done with the help of the sector; and empowering communities can only work where the skills, enthusiasm and commitment of the sector is harnessed.



The Rt. Hon. David Cameron MP

## Message from the Deputy Prime Minister

A flourishing civil society is fundamental to achieving the Power Shift the Coalition Government is committed to, transferring power away from central government to local communities. This Compact is a vital part of achieving that goal, laying the foundation for productive working partnerships between the Government and civil society organisations. The sector's diversity and independence together with its reforming, compassionate ethos, are essential in building better outcomes for citizens and communities.



The Rt. Hon. Nick Clegg MP

### Foreword by the Minister for Civil Society

I am delighted to agree this renewed Compact – it demonstrates that civil society organisations, along with citizens and communities are at the heart of the Big Society and that we in the coalition government are committed to working in partnership to deliver the Big Society vision.

I see civil society as a strong and independent partner, helping to shape society and improve people's lives not least through better informed and more responsive public services. The reforms we have set out create new opportunities but also challenges the ways in which the state works with voluntary organisations and social enterprises. The Compact helps lay the foundation for what a stable and successful partnership will look like in order to deliver better outcomes for people and communities.

This Compact is shorter and more tightly focused on outcomes and practical commitments. We are also committed to increasing the transparency and accountability around implementation. The whole objective is to make the Compact a more meaningful document that fosters better partnership working.

This coalition government will work hard at ensuring meaningful engagement and partnership with voluntary organisations and social enterprises in achieving common goals. A clear sign of success will be when we no longer need a Compact because partnership working is second nature to government departments and agencies.

I am grateful to the Commission for the Compact and to Compact Voice for all their work in helping the Compact get to this point. In May the Prime Minister said that he wanted to make sure the Compact really means something and he therefore pledged to refresh and renew the document. I feel that we have successfully delivered on this commitment with the help of the sector. Now we must work together to make sure that this is an effective framework for an increasingly important relationship.

A handwritten signature in black ink, reading "Nick Hurd". The signature is written in a cursive, slightly slanted style.

Nick Hurd MP

## Foreword by Simon Blake

The Compact is now in its twelfth year, an achievement given the pace of policy change, and one which demonstrates its value and impact. Yet this renewed Compact comes at a difficult time for the sector. Deep financial cuts combined with radical changes in the nature of government mean that it is a critical period for the Government and the sector, which will define the relationship in the coming years. The Compact plays a vital role in setting the framework for this relationship.

Many parts of the country have used their local Compacts to transform their relationships, resulting in better communities and public services, and our website now has a large number of examples where the Compact has made a difference on the ground from managing cuts to agreeing outcomes. Indeed the majority of the sector operates at a local level, and this national Compact should provide a framework for local Compacts.

I applaud the Government for bringing in the accountability and transparency measures announced alongside this agreement, they are vital in ensuring the Compact is used properly across the country. While they are not needed in many areas where a Compact way of working has become second nature, they will help ensure that in those areas with some way still to go in building a vibrant and robust relationship, it will give the Compact the attention needed to improve relationships between the two sectors.

Those successful areas know that the Compact is not just another document to be followed, but a way of working which enables those using it to better carry out their existing roles. And at its best it is a platform which the two sectors can build on to form a powerful relationship which goes far beyond one document.

In this crucial time, let's use this opportunity to do just that.



Simon Blake  
Chair of Compact Voice

# The Compact

This Renewed Compact is an agreement between the Coalition Government, and their associated Non-Departmental Public Bodies, Arms Length Bodies and Executive Agencies, and civil society organisations<sup>1</sup> (CSOs) in England. The agreement 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.

## The Coalition Government

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 the 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.

## Civil Society

There is a wide variety of CSOs ranging from small community groups to large international organisations. All share a commitment to social aims and objectives and while many do not have a direct link with the state, those that do recognise the value of a positive relationship with public bodies and the wider benefits that a productive partnership can bring to citizens and communities.

## A healthy partnership

The outcomes and commitments stated in this Compact will set the foundation for a productive relationship between the Government and CSOs.

Local areas are encouraged to follow the principles in this document. These will play an important role in ensuring empowered and sustainable communities.

Alongside this document, measures have been introduced to ensure there is greater accountability and transparency around the implementation of the Compact.

This Compact is an agreement between the UK Government and CSOs in England. However, where the UK Government interacts with CSOs or has responsibility for funding services provided in Northern Ireland, Scotland or Wales, it will honour the commitments made in this Compact in relation to CSOs it funds in each of these areas. The Welsh Assembly Government, the Northern Ireland Executive and the Scottish Government have operational responsibilities for engagement with CSOs in their respective areas. Each of the devolved administrations has existing arrangements for engagement with CSOs and this Compact does not override these arrangements.

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<sup>1</sup> While it is understood that civil society is a contested term, for the purposes of the Compact, civil society organisations include charities, social enterprises and voluntary and community groups.

An effective partnership between the Government and CSOs will help achieve the following 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

# Commitments for the Government and CSOs:

## 1 A strong, diverse and independent civil society

### **Undertakings for the Government:**

- 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.
- 1.2 Ensure CSOs are supported and resourced in a reasonable and fair manner where they are helping the Government fulfil its aims.
- 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.
- 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.
- 1.5 Consider a range of ways to support CSOs, such as enabling greater access to state owned premises and resources.
- 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.

### **Undertakings for CSOs:**

- 1.7 When campaigning or advocating, ensure that robust evidence is provided, including information about the source and range of people and communities represented.
- 1.8 Ensure independence is upheld, focusing on the cause represented, regardless of any relationship they have with the Government, financial or otherwise.



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

### Undertakings for the Government:

- 2.1 Ensure that social, environmental and economic value<sup>2</sup> forms a standard part of designing, developing and delivering policies, programmes and services.
- 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.
- 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.
- 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.
- 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.
- 2.6 Assess the implications for the sector of new policies, legislation and guidance, aiming to reduce the bureaucratic burden, particularly on small organisations.

### Undertakings for CSOs:

- 2.7 Promote and respond to government consultations where appropriate.
- 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.
- 2.9 When putting forward ideas, focus on evidence-based solutions, with clear proposals for positive outcomes.

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<sup>2</sup> Social value encompasses a broad concept of value by incorporating social, environmental and economic costs and benefits. This means that as well as taking into account the direct effects of interventions, the wider effects on other areas of the economy should also be considered.

### 3 Responsive and high-quality programmes and services

#### **Undertakings for the Government:**

- 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 markets.
- 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.
- 3.3 Ensure transparency by providing a clear rationale for all funding decisions.
- 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.
- 3.5 Ensure well managed and transparent application and tendering processes, which are proportionate to the desired objectives and outcomes of programmes<sup>3</sup>.
- 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.
- 3.7 Ensure equal treatment across sectors, including reporting and monitoring arrangements, when tendering for contracts.
- 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.
- 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.
- 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.

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3 In accordance with HMT Managing Public Money and the Green Book

- 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.
- 3.12 Apply the Compact when distributing European funding. Where conflicts arise with European regulations, discuss the potential effects and agree solutions together
- 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.

#### **Undertakings for CSOs:**

- 3.14 Ensure eligibility for funding before applying and be explicit about how outcomes will be achieved.
- 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.
- 3.16 Be open and transparent about reporting, recognising that monitoring, whether internal or external, is an aspect of good management practice.
- 3.17 Demonstrate the social, environmental or economic value of the programmes and services provided, where appropriate.
- 3.18 Help facilitate feedback from users and communities to the Government to help improve delivery of programmes and services.
- 3.19 Recognise that the Government can legitimately expect CSOs to give public recognition of its funding.

## 4 Clear arrangements for managing changes to programmes and services

### **Undertakings for the Government:**

- 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.
- 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.
- 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.
- 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.

### **Undertakings for CSOs:**

- 4.5 Plan for the end of funding to reduce any potential negative impact on beneficiaries and the organisation.
- 4.6 Contribute positively to reviews of programmes and funding practice.
- 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.

## 5 An equal and fair society

### **Undertakings for the Government:**

- 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.
- 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.
- 5.3 Take practical action to eliminate unlawful discrimination, advance equality and to ensure a voice for under-represented and disadvantaged groups.

### **Undertakings for CSOs:**

- 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.
- 5.5 Take practical action, such as through funding bids, to eliminate unlawful discrimination, advance equality of opportunity and build stronger communities.

For more information on the Compact, including implementation guides, what to do if differences emerge and examples of best practice, government bodies can contact the Office for Civil Society and CSOs can contact Compact Voice.

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