
THE DARLINGTON COMPACT

**Responsible Cabinet Member – Councillor Andy Scott,
Communities and Engagement Portfolio**

Responsible Director – Chris Sivers, Assistant Chief Executive

SUMMARY REPORT

Purpose of the Report

1. To present the draft Darlington Compact, attached as **Appendix 1**, and accompanying Codes of Practice attached as **Appendix 2**, to Cabinet. The Compact is a framework for managing effective working relationships across Darlington Partnership, and the attached document is therefore a partnership document. It is intended that all the ‘duty to co-operate’ partners will sign up to it. Lead responsibility for overseeing the Compact will be vested in eVOLution (the Council for Voluntary Service in Darlington).
2. In recommending Cabinet to approve the draft compact this report is seeking the Council’s commitment, alongside other partners, to working within the compact framework to secure effective working relationships between the public and third sectors. Partners will be asked to make the same commitment through their own governance arrangements.

Summary

3. The Darlington Compact is an agreement between the public and third sectors about how to work together effectively to deliver the best possible services and outcomes for Darlington. It is built around a set of shared principles, and commitments made by each sector, designed to ensure that relationships and partnerships between the sectors are conducted on the basis of understanding, equality and mutual respect.
4. The compact is an ongoing process of relationship management, whilst the attached compact document is, in essence, a relationship management ‘handbook’, guiding the establishment of partnerships and setting out procedures to be invoked if and when problems or disputes arise between public and third sector organisations.
5. The compact is a national initiative, with regional and local compacts adopted across the country in line with the national framework and guidance. Darlington first adopted the compact in 2004 with the document, ‘Changing Practice’, but this is no longer considered fit for purpose due to changes in the national and local context.
6. The Comprehensive Area Assessment, and other assessment regimes, will look for evidence of a ‘Living Compact’. The new compact therefore includes all of the public sector agencies

working in the borough (the 2004 Compact covers only the Council and the PCT). The compact is particularly important in promoting and enabling a thriving and vibrant third sector. The effectiveness of local efforts to create an 'Environment for a Thriving Third Sector', is now measured by National Indicator 007; more importantly, the compact is about enabling the third sector to play to its full potential in the life of the community, and thus maximise the resources and effort available locally to deliver improved outcomes.

7. The preparation of the draft compact has been led by eVOLution and the council, with the regular participation of representatives from other public and third sector partners. An effective compact will be collectively 'owned' by partner agencies across the public and third sectors. Approval of the framework document by the Council is being matched by consideration and approval, or 'buy-in', by partners.
8. The compact is presented to Cabinet following examination by all scrutiny committees and changes have been made including the inclusion of some case studies have been included within the document following these discussions.

Recommendations

9. It is recommended that :-
 - (a) The draft Darlington Compact (Appendix 1) and accompanying Codes of Practice (**Appendix 2**) be approved as the framework for managing working relationships between public and third sector organisations in Darlington;
 - (b) Any proposed changes of substance to the compact arising from consideration by partners, or from experience of using the compact, are reported back to a future meeting of Cabinet for consideration.

Reasons

10. The recommendations are supported by the following reasons :-
 - (a) To put in place a compact framework in Darlington that accords with the national framework and with recognised good practice
 - (b) To ensure that the compact reflects the views of all partners, and that it is kept up to date as a 'living compact' in the light of experience and progress in using it.

Chris Sivers
Assistant Chief Executive

Background Papers

The National Compact: <http://www.thecompact.org.uk/>
The North East Regional Compact

Peter Roberts : Extension 2713

S17 Crime and Disorder	Although there is no direct impact, the Compact will support cross-sector working and engagement with communities to improve the effectiveness of actions to address crime and anti-social behaviour.
Health and Well Being	The Compact will support cross-sector working and engagement with communities to address health improvement priorities.
Sustainability	The Compact will support cross-sector working and engagement with communities to address measures aimed at building social and environmental sustainability.
Diversity	The Compact will support cross-sector working and engagement with communities to address issues of social inclusion and respect for diversity.
Wards Affected	All wards are affected equally
Groups Affected	All groups are affected equally
Budget and Policy Framework	This report does not recommend a change to the Council's budget or policy framework.
Key Decision	Yes
Urgent Decision	No
One Darlington: Perfectly Placed	The Compact will support effective third sector involvement and cross-sector partnerships in the delivery of the sustainable community strategy
Efficiency	The Compact will promote effective working practices and lead to more efficient use of the resources available to the borough.

MAIN REPORT

Information and Analysis

11. The Darlington Compact is an agreement between the public and third sectors about how to work together effectively to deliver the best possible services and outcomes for Darlington.
12. A new Compact is being developed to supersede the first Darlington Compact, 'Changing Practice', adopted in 2004. The draft of the new Compact document, with the working title of 'Working Together in Darlington', is attached as **Appendix 1**.
13. The project is being led by eVOLution (the Council for Voluntary Service in Darlington) with support from council officers. It is focused on promoting a 'living compact', to support the ongoing development of relationships and ways of working that generate added value for the benefit of Darlington. The Compact document is intended to underpin this concept of the 'living compact', providing in effect a 'handbook' for relationship management.

Background to the Compact

14. The National Compact between government and the voluntary and community sector was adopted in 1998. Its purpose was to recognise the 'legitimacy, contribution and potential of the sector', and to establish shared principles, values and commitments, together with guidelines about how government and the sector should work together in pursuit of shared goals and outcomes.
15. In the Compact format adopted in 1998 these guidelines, underpinning the core principles, values and commitments, consist of five codes of practice covering the areas of:
 - (a) Black and minority ethnic (BME) voluntary and community organisations
 - (b) Community groups
 - (c) Consultation and policy appraisal
 - (d) Funding and procurement
 - (e) Volunteering
16. The term 'third sector' has come into common usage since 1998. Some people in the sector are uncomfortable with the term, but it is used here as a useful shorthand in referring collectively to voluntary, community, faith and social enterprise organisations.
17. Whilst the Compact is non-statutory there is an expectation that all local authority areas will have a Compact, with a minimum of the council and NHS as the public sector signatories.
18. Darlington Borough Council and Darlington Primary Care Trust responded to this expectation in 2004 by developing and adopting 'Changing Practice', a brief statement of principles and commitments that mirrored the intent of the National Compact but in an abbreviated form.

19. A regional compact for the north east, led by ONE north east and VONNE (Voluntary Organisations Network North East) was adopted in 2006, with 13 signatory organisations. It also adopted the national format of shared principles and sectoral undertakings, but again in a very abbreviated form.
 20. The Compact was reviewed nationally in 2005, with 'Compact Plus' adopted to strengthen the Compact at both national and local levels. Some of the key changes reflected government's intention that third sector bodies should be encouraged to claim a more significant role in the delivery of local services. A key role for the Compact, therefore, is to promote moves towards a 'level playing field' in service commissioning, so that the third sector can bid fairly for service contracts alongside the public and private sectors. Compact Plus also promotes the adoption of formal procedures for resolving any disagreements or disputes that may arise between signatory organisations.
 21. Three bodies were subsequently set up to progress Compact Plus: the Office of the Third Sector represents the interests of all parts of government in relation to the Compact; Compact Voice represents the interests of the third sector in all matters relating to the Compact; and the Commission for the Compact is the independent body that oversees the Compact.
 22. In 2008, following a further review, Sir Bert Massie, the Commissioner for the Compact, recommended that:
 - (a) the Compact should remain a voluntary agreement;
 - (b) the Commission for the Compact should be established as a statutory body, with powers to resolve disputes arising within the Compact; and
 - (c) the National Compact and Codes of Practice should be re-written into a single document that supports the development of Local Compacts and takes account of the new local performance framework, Local Strategic Partnerships, Local Area Agreements and the Comprehensive Area Assessment.
 23. In July 2009, the Commission for the Compact launched a consultation on major revisions to the Compact, with proposals based on the above recommendations. The most significant proposal is that the five national codes of practice, listed in paragraph 12 above and published as separate documents, should be replaced by three 'commitments' contained in the main Compact document, covering:
 - (a) Involvement in policy development;
 - (b) Allocating resources and commissioning; and
 - (c) Achieving equality
 24. These 'commitments' incorporate substantial bodies of explanatory text, guidance and sectoral commitments. The preparation of the Darlington Compact was deferred so that the national revision proposals could be considered in terms of their local application. However, the representatives of the partner organisations involved in preparing the Darlington Compact concluded that the approach adopted up to that point, of five codes of practice
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incorporated as an appendix in the Compact document, was right for Darlington. This approach includes all the relevant content in a single document, whilst ensuring that all the areas that need to be considered in managing working relationships between the local public and third sectors are addressed. The five codes of practice in the draft Darlington Compact are outlined in paragraph 35 below, and are set out as **Appendix 2** of this report.

Why a new Compact for Darlington?

25. The 2004 Compact is considered to be no longer fit for purpose. It is a stand-alone document divorced from the ‘living compact’ that is required to evolve and support effective working relationships. It was never properly embedded in the various organisations for which it was intended, and it has been called upon on few, if any, occasions to support partnership working.
26. It is also out of date in relation to the way the Compact has evolved at national level, as outlined above. It does not recognise fully the role and potential contribution of the third sector, alongside the public and private sectors, in providing services and projects that add value locally. It also lacks any mechanism for resolving disagreements and supporting relationships and partnerships to move forward.
27. Equally significantly, the changes to the context in which the Compact operates, require a new approach. The new local performance framework measures the extent to which the local area, led by the council in its ‘place shaping’ role, provides the ‘environment for a thriving third sector’ (National Indicator 007). The vision for Darlington, ‘One Darlington : Perfectly Placed’, recognises that the local skills, perspectives and knowledge of the third sector must be allied to the leadership and services of the public sector and to private sector enterprise if the added value required to fully deliver the vision is to be generated. And the Comprehensive Area Assessment will look for evidence of a ‘Living Compact’ as an indicator of the well-being and vitality of the locality.
28. A further change is now emerging, with government’s consultation on ‘Strengthening Local Democracy’, launched in July 2009. This sets out proposals for stronger powers and responsibilities for local authorities as leaders and overseers of all public services and spending in their areas, charged with ensuring that all services are responsive to local needs and citizens’ influence. Whilst the focus of the proposals is on public services, the enhanced role of the third sector in future delivery of local services emphasises the need for the Compact as the framework for conducting relationships between the sectors.

Developing a new Darlington Compact

29. A workshop staged in the Dolphin Centre in November 2008 identified a range of issues that participants felt the Compact should address. There is strong emphasis in these issues on the needs and concerns of the third sector, and these included:
 - (a) recognising and acknowledging the successes and contributions of the third sector;
 - (b) recognising and valuing the differences in culture and business practices between the sectors, and not seeking to impose change unless there are clear reasons for doing so;

- (c) a range of concerns relating to funding and resources, including:
 - (i) providing greater medium-term certainty in grant support;
 - (ii) simplifying and co-ordinating funding procedures across public sector agencies;
 - (iii) addressing the disadvantages that third sector organisations experience in seeking to bid for public sector service contracts, creating a ‘level playing field’, notably in requiring all bids, including in-house, to be priced on the basis of full costs recovery;
 - (iv) being able to access non-financial support such as legal expertise and training opportunities, whilst recognising the value of the advice, guidance and access to communities provided by the third sector;
 - (d) being given real and timely opportunities to be involved in and to influence strategy and policy development.
30. A series of meetings and workshops have been staged since November, under the leadership of eVOLution, to develop the format and content of a Compact document that takes account of these issues and the wider context outlined above.

The Draft Darlington Compact

31. The draft Compact is attached as **Appendix 1**. It is structured in accordance with the guidance provided by the National Compact (subject to the comments in paragraph 23 above). It is appropriate to emphasise again that ‘the Compact’ is a living, evolving process of building and managing relationships, whilst the document provides a point of reference to shared principles and commitments to support that process.
32. The document emphasises the importance of the third sector (and therefore the Compact) in contributing to delivery of ‘One Darlington: Perfectly Placed’. This recognises the role of the third sector in delivering services and community activities that help to ‘narrow the gaps’, but it also relates to the wider vision of building a vibrant and sustainable community, in which people can participate and be active citizens.
33. Whilst it remains the national expectation that, as a minimum, the public sector involvement in Compacts will include the council and the NHS, a broader approach has been adopted in developing the new Compact to date. All ‘duty to co-operate’ partners have been invited to participate in developing and adopting the Compact. Public sector partners involved to date include: Darlington PCT, the NHS Foundation Trust, Police, Fire and Rescue Service, Job Centre Plus, Highways Agency, Health and Safety Executive and English Heritage.
34. Section 3 of the document sets out the core content of shared principles and public and third sector commitments. These reflect the normal practices and courtesies of working together, and are unlikely to be referred to unless problems, disagreements or disputes occur. The principles and commitments, combined with the disputes resolution procedure set out in Section 6, will then provide guidance on agreed ways of working together to resolve difficulties quickly and, hopefully, without recourse to the formal stages of the disputes resolution procedure.

35. Section 4 introduces the codes of practice that are set out in full in the appendix to the document. The codes of practice set out an enhanced framework and undertakings in five key areas of focus:
- (a) Equalities and diversity – focusing the relationships and joint working fostered by the Compact on both statutory equalities duties and on the broader equalities challenge posed by the One Darlington priority
 - (b) Resources and procurement – focusing on transparency, fairness and due process in managing relationships involving financial transactions and non-financial support
 - (c) Involvement and influence – focusing on enabling the third sector to contribute to strategy and policy development and decision-making
 - (d) Volunteering – focusing on supporting the role of volunteers
 - (e) Partnerships – focusing on the management and development of partnerships.
36. The document emphasises that the core principles and commitments, and the five codes of practice, do not override or interfere with in-house strategies and policies. The Compact is concerned with ensuring that due process is followed, in terms of timeliness, transparency, consistency and fairness, and simplicity and proportionality, in the implementation of strategies and policies.
37. A three stage dispute resolution process is set out in the document
- (a) Stage 1 is informal, involving the Compact Champions (see paragraph 38 below) in each of the organisations involved seeking to resolve the difficulty, using the Compact framework for guidance; it is anticipated and intended that the majority of issues would be resolved at this stage
 - (b) Stage 2 is more formal, with a local disputes resolution panel arbitrating between the parties
 - (c) Stage 3 would provide the redress of taking the issue to the national bodies (Compact Voice or the Commissioner for the Compact), which have the arbitration role incorporated in their terms of reference. Whilst this would not be legally binding it is anticipated that if parties take issues to this level they would abide by the decision.
 - (d) At any stage in the dispute resolution process organisations can go to the Ombudsman or Judicial review if there is a case of maladministration.
38. Compact Champions are the key to making the Compact work. Each signatory organisation would have at least one champion at a sufficiently senior level within the organisation and with the authority and respect to be able to resolve issues. Their role would include raising awareness of the Compact, providing/overseeing training, promoting the Compact and pushing the boundaries of established working practices, acting as a point of external contact and providing the front line of conflict resolution.
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39. The role of Compact Champion is similar to an element within the role of the Voluntary and Community Sector Liaison Manager and in the interim it is recommended that this officer acts as the Compact Champion for the Council pending the conclusion of service reviews impacting upon this agenda. To embed the compact will require each department to undertake actions to embed the Compact in their day to day working practices and this could be done by also identifying individuals with an overseeing role within departments.
40. The Cabinet Portfolio Member for Communities and Engagement could also be appointed by Council as the Member Champion for the Compact. This would support Members by providing a peer support in implementing the Compact at Member level.
41. The Compact Champions of all the signatory organisations would provide the core membership of the Compact Steering Group, which would be responsible for monitoring and reviewing the Compact annually, and developing the annual Compact Action Plan.

Outcome of Consultation

42. The draft document is the product of engagement and consultation with partner organisations in the public and third sectors. Partner organisations are formally considering the compact for adoption in parallel with consideration by Cabinet and Council.
43. The draft compact was examined by Neighbourhood Services Scrutiny Committee on 15th September. The committee asked for the document to be presented to all scrutiny committees, and this extended scrutiny process was completed with consideration by Health and Well-Being Scrutiny Committee on 16th November.
44. Comments made by scrutiny have been incorporated into the final document and this includes giving a higher profile to the desire for the private sector to sign up to the compact principles. We have also incorporated case studies following requests at a number of scrutiny committees that this would help understanding and show how the Compact would make a practical difference and not simply sit on a shelf.