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The paradox of Compacts: monitoring the impact of Compacts

Gary Craig
Marilyn Taylor
Nancy Carlton
Ruth Garbutt
Richard Kimberlee
Eileen Lepine
Alia Syed
University of Hull
University of West of England

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The paradox of Compacts:
monitoring the impact of Compacts

Gary Craig, Marilyn Taylor, Nancy Carlton, Ruth Garbutt, Richard Kimberlee, Eileen Lepine and Alia Syed

University of Hull and University of West of England

The views expressed in this report are those of the authors, not necessarily those of the Home Office (nor do they reflect Government policy).

Acknowledgements

Foreword

by Fiona Mactaggart, the Home Office Minister for Race Equality, Community Policy and Civil Renewal

The Compact is an important building block in achieving a better relationship between Government and the voluntary and community sector. We are fully committed to partnership working with the sector and increasing their role in civil society and in the delivery of public services. The Compact helps us to work better together, so that we can better meet the needs of communities.

Government commissioned this research so that we could gain a better understanding of:

- The progress being made to implement the Compact across Government and the sector,
- The impact it was having, and
- The good practice and learning that needs to be taken on board.

The report makes key recommendations for strengthening Compact development. We have already used it to inform and improve the way we support and target our resources in Government and the sector to promote and mainstream the Compact in day to day engagement. I am delighted to have this opportunity to illustrate how the research has informed the progress we have made.

To summarise the six recommendations and progress under each one:

1 Compact implementation needs to be promoted across public bodies, including Local Strategic Partnerships (LSPs) and central Government departments

The research conducted in 2003 found that whilst 50% of local areas covered by the research had a Local Compact in place, just over 25% were developing one. The development of Codes of Good Practice, and involvement of the range of local partners was limited.

Local Compacts, being developed in local areas, are a key feature of the programme of work underway through the annual Compact action plan. At the time the first phase of the

research was completed in March 2003, information collected nationally showed that 66% of local authority areas were covered by or working towards a Local Compact.

- There are now at least 94% of areas covered or working towards one. This shows how local public and voluntary and community sector bodies are increasingly aware of the need to work together, and making sure they have the tools to do this.
- There are more and more bodies becoming involved in their local area, and Local Strategic Partnerships have increasingly taken on a role in Local Compact development.

In central Government at the time of the research, senior level Champions for the Compact had only been in place for a short time. Since then we have seen the following:

- The Champions, in place in all Departments, have been meeting regularly, driving change in their Departments.
- Most Departments now have, or are in the process of finalising, a strategy for implementing the Cross Cutting Review on the role of the voluntary and community sector in service delivery, including the Compact. These are being signed off by Departmental Boards and Ministers.
- As part of their voluntary and community sector strategies, Departments are establishing working groups or stakeholder groups to ensure the voluntary and community sector is involved in policy making.
- Departments have started to promote Compact implementation with their Non-Departmental Public Bodies.

In 2004 (as happened in 2003) many Departments took the opportunity to use Compact Week as a focus for promoting the Compact. Activity included:

- The launch of the Department for Transport's employee volunteering scheme,
- Publication of the summary of the Compact and Codes by the Home Office's Active Community Unit.

During Compact Week 2003, the Active Community Unit launched a cross Whitehall Working with the Voluntary and Community Sector website to serve as a source of intelligence on Government's engagement with the sector, for officials.

Ministers are behind the Compact. The 2004 Compact annual review meeting had the highest turnout yet with 11 Ministers, including the Home Secretary, taking part, along with Grade 3 Champions.

2 The role of Government Offices for the Regions in promoting the Compact should be clarified and strengthened

The research noted that Government Offices for the Regions did not have a specific role or resources to work on the Compact. In late 2003 the Government Offices were given key objectives and resources to work on delivering the Compact as well as other parts of engagement with the voluntary and community sector agenda.

Government Offices now have:

- Dedicated teams to promote Compact development and strengthen relationships with the sector,
- Cross-office groups in place to mainstream the Compact across different delivery areas,
- Champions or policy leads with key responsibility across each office on the Compact (and there is a senior Champion for the Government Offices as a whole),
- Carried out work with a wide range of local public sector partners, including Local Strategic Partnerships to raise and promote awareness of the Compact,
- Mapped the progress of Local Compact coverage across their regions,
- Held or have planned regional or sub-regional events in most regions,
- Used Compact Week to plan activities to raise the profile of the Compact with their staff and partners.

On regional engagement:

- Regional Development Agencies and other regional partners have also been coming on board with the Compact, with the London Development Agency having established a Regional Compact fairly early on.
- Now the Government Office for the South West has launched a Compact with their regional general voluntary and community sector network, their Black and Minority Ethnic voluntary and community sector network, the Regional Development Agency, the Countryside Agency, Regional Assembly, and the South West Local Government Association.
- The other Government Offices are all exploring or taking a co-ordinating role in the development of a Regional Compact with their regional partners, or have a regional action plan to strengthen Compact implementation by regional players.

3 Dedicated resources should be made available to support Compact development, implementation and review at all levels

The research found that designating and supporting Champions is particularly important, but that these Champions should not be the only ones pushing the Compact. In Government at central and regional levels:

- The Champions in Government Departments are now well-established and are working with the support of Voluntary and Community Sector Liaison Officers. Government Offices have Champions and VCS policy leads working on this agenda.
- Many Departments now have internal working groups in place, and Government Offices have been resourced to promote the Compact and have cross-office groups in place.
- A partnership programme is being instigated to develop the capacity of public sector officials and the voluntary and community sector to work together. The Community Capacity Building Review and programmes such as Changeup and Futurebuilders show our commitment to identifying and addressing the need to invest in the sector.
- Locally, the increase in Local Compact coverage shows that local bodies and partnerships are increasingly realising the importance of building strong relationships with the Compact and making the commitment needed to deliver one.
- Government Offices have supported work on the development of Local Compacts. For example, the Government Office for the East Midlands has established a Local Compact Developers' network, and the Government Office for London are developing a Compact Officers' Support Group.

4 'Compact-proofing' should be routinely built into local authority scrutiny procedures and new central government policies and initiatives

The research specifically indicated that the Compact should be built into local authority scrutiny procedures, as one area in which the Compact needs to be mainstreamed. Since the research was carried out:

- A target has been agreed in this year's Compact Action Plan, agreed at the annual meeting to review the Compact, to promote the involvement of voluntary and community sector organisations in local authorities' overview and scrutiny arrangements.
- Officials at the Home Office, Office of the Deputy Prime Minister and Local Government Association are working together on this.

5 Compact implementation should be ensured through regular reviews at local as well as national level

The research highlighted the problem that momentum could be lost on driving Local Compacts once they had been published.

We have reached the position now where 94% of local areas have an agreed Compact, or work is well underway. Our focus is changing now towards the quality of Local Compacts, and not just numbers.

- This year's Compact Action Plan includes targets on increasing the numbers of public sector bodies involved in Local Compact, and increasing the effectiveness of Local Compacts.
- An increased range of public bodies are signing up to Local Compacts, and those delivering Local Compacts have been showing clear commitments to review and evaluation.
- The research explores a framework for monitoring and evaluation. It sets out key principles for evaluating Compact development, with indicators to help developers assess the effectiveness of Local Compacts in place.

6 Greater efforts should be made by both sectors to ensure that Compact development meets the needs of Black and Minority Ethnic (BME) groups, rural groups and community-based groups.

The need to cover BME groups is crucial in building relationships with the sector, so that we can better meet the needs of communities.

- In July 2003 we published the national Compact Code of Good Practice on Community Groups.
- We are working with the BME Sub-group of the Compact Working Group to re-think how the Code can be implemented effectively.
- A summit on the role of the BME sector was held in Compact Week 2004 as part of this re-think.

The research also called for opportunities to share and disseminate good practice.

- Government Departments and Government Offices meet regularly to share progress on the Compact and the rest of the voluntary and community sector agenda.

- The Local Compact Guidelines are being updated to help those working on Local Compacts to take these forward to implementation, and make Compacts work better.
- The Compact website, www.thecompact.org.uk has been re-designed to make it a more accessible and user friendly centre of intelligence on the Compact. Other websites share good practice including www.idea-knowledge.gov.uk, www.ourpartnership.org.uk, and www.local-ideals.org.uk.

We in central and local government and other parts of the public sector as well as the voluntary and community sector, have made good progress since the research was completed, achieving coverage on numbers of Local Compacts developed. The challenge now, is for all of us to focus our efforts on the quality of relationships at national, regional and local level. This is a step change and will require all of us to take a fresh look and approach to Compact implementation.

Contents

Executive summary

The Paradox of Compacts reports the findings of a national study in England which examined progress in the development of Compacts between government, at national, regional and local levels, including health bodies and learning and skills councils, and the voluntary and community sector.

Background to the study

The Compact is a framework of principles and values shaping relationships between the voluntary and community sector (VCS) and government. Introduced by the government at national level in 1998, after considerable consultation with the VCS, it is also being rolled out, along with five codes of practice, at local level across the range of public bodies. Government's commitment to the Compact was reaffirmed in 2002 with the publication by HM Treasury of a cross-cutting review of the role of the VCS in service delivery (HMT 2002), which saw the Compact as underpinning the expansion of the sector's role.

This report reviews the progress of the Compact at national, regional and local level in England and its capacity to deliver on the expectations placed on it. It is based on a study which sought to understand the extent of knowledge and awareness about the Compact, and the level of its implementation, across government at national, regional and local levels and within the voluntary and community sector health bodies and learning and skills councils; to examine the extent of gains arising from the implementation of the Compact; and to explore ways, including the development of effective evaluation and monitoring procedures, and support for Compact 'champions' by which such gains might be made sustainable. A later part of the report sketches out a framework for monitoring and evaluation.

How the Compact might be used at local level: a range of metaphors

Based on previous research, it seemed that there are two broad arguments for a Compact. In areas where relationships were already strong, the Compact and its codes of practice were seen as a way of cementing and securing those relationships. In these circumstances, some might see it as a placebo, with no added value. For some

respondents, the Compact had a function of prevention, making sure that the underpinning of those relationships was secure and sustainable. Alternatively, it could act as a thermometer, 'testing the temperature' of relationships between the VCS and other more powerful policy actors at a local, regional or national level, particularly when used in conjunction with an effective framework for monitoring and evaluation. It could also be a longstop or lifebelt where relationships which had been working well had started to come unstuck. At that point, a framework agreement to which all parties had put their signatures might be something to which all could revert to restore relationships. Less dramatically, the Compact or its codes could pick up the occasional hiccup in relationships and make sure that breaches did not become significant. For example, where a voluntary and community sector organisation (VCO) had been threatened with withdrawal of funding, it was able to point to the fact that it had not been consulted in order to protect its funding for a further year. Unsurprisingly, one of the more common uses of the Compact, even where local relationships were relatively good, was over the central question of consultation around funding.

In other areas, where relationships were less good, the Compact might act as lever for change. For example, the Department of Health recently issued a circular enjoining local National Health Service (NHS) organisations, (Primary Care Trusts (PCTs) and NHS Trusts), to sign up to local Compacts and this is beginning to happen. However, whilst this is an important development, it will be important for Trusts to engage in the process of developing mutual understanding that has characterised the best Compacts between local authorities and the VCS. Simply signing up to the local Compact, without engaging in this process, might lead to a transient commitment.

Progress with the Compact: the experience to date
The study examined progress with the Compact within different sectors. In summary, the picture gleaned by the research team was as follows:

Central government
HM Treasury's Cross-Cutting Review recommended the appointment of G3 champions (that is, designated officials at a high level of standing within central government departments) as a way of driving the Compact forward but the research team found that these appointments had had mixed results. In a minority of the nine government departments interviewed, it appeared that G3 champions had personally embraced that responsibility and done so with enthusiasm; in the others, promotion of the Compact has been delegated or independently

taken on by other staff with an interest in the Compact – often officials whose work was more centrally involved with the VCS. The role of Compact champion was generally seen by these more junior officers to be an 'add-on' to an already heavy workload at G3 level. However this did not always mean that the champion was not taking the responsibility seriously. At central government level, respondents felt that it was those in senior management and those who have direct dealings with the VCS who were most likely to know about the Compact. However, most respondents felt that there was a lack of direction and commitment from those ministers and senior managers who did not have direct experience of the sector. In departments where the Compact was not seen as a political priority for ministers, it was less likely to be seen as a priority within the departments at official level. Only two departments interviewed reported that they had devoted any significant financial resources to implementing the Compact. Nonetheless, most departments were now taking active steps to promote the Compact and had mailed or emailed information to contacts and branches.

Regional government

Government Offices for the Regions (GOs) are covered by the national Compact. However, in a limited number of cases, they were signed up to local Compacts. In addition, most were exploring the idea of regional Compacts. However, respondents in a number of regions were not convinced of the value of a regional Compact *per se*. Potentially more important is the role that GOs could play both in promoting the national Compact at local and regional level and in promoting local Compact development. At the time of the study, central government departments had not taken any particular steps to disseminate Compact information to the GOs over the previous year, nor was there any evidence of any strong or sustained contact between central government departments and GOs over the Compact in the recent past. Thus, the study found that expectations of the GO role were unclear and in the absence of central guidance, GOs had taken a variety of approaches. There were, it appeared, no dedicated resources to support Compact development and interviews suggested that Government Offices were overstretched and under-resourced, with staff turnover a problem in some cases. Nonetheless, most GO respondents seemed aware of what was happening at the local level and how local Compacts were working and since the research was completed, it is understood that steps have been taken to expand the GOs role. A common theme in interviews with GOs was their frustration with the failure of some central government departments to comply with Compact requirements, both on funding and, particularly, on consultation.

The local governance arena

As earlier research had found, the majority of Compacts had been developed solely between local authorities and their voluntary and community sectors. Overall, the study found that of the 96 localities covered in the study, half (49) had a Compact in place, while just over one in four (27) were developing one. One of the Compacts was with health bodies only. Conversely, just under one in four (22) had no Compact at all, but two of these areas had definite plans to develop one. Of the 27 Phase One areas which were developing a Compact, there were two where a previous agreement between the sectors was being reworked into a Compact, and six where the process had stalled, as a result of a change in personnel, because of disputes, or because other local developments had taken precedence. In several cases where the process had stalled, the interest generated by the study was leading to a revival of discussions about the Compact at least amongst some parties. In four areas, signatories were reworking existing Compacts in order to breathe new life into them, add detail to a Compact which had initially been rather vague, or to bring new partners on board. However, in two localities, local authority respondents suggested that the Compact might now be becoming redundant, referring to service level agreements with the CVS or others in the sector as making a Compact less necessary.

Of those with Compacts, just over one in three (18) had at least one code, although a few more said that the codes were incorporated in their main Compact document. Conversely, one Compact only had codes. Few had all five – the codes were most likely to be around funding, consultation, and, in some areas, black and minority ethnic (BME) groups. Hardly anyone had a code on the community sector; indeed, this has only recently been published at national level. Additional codes mentioned by some respondents included codes on premises, on improving practice, on communications, on performance management and on commissioning, as well as, in one case, a protocol on officer/member involvement with VCOs. Some of those developing Compacts were developing codes as part of the overall development process; most saw this as coming later. Most Compacts were still relatively new and the research identified a number of factors which hindered or facilitated compact development. There was a clear variation between localities in terms of levels of energy and engagement and Compacts were most likely to be in existence where there was a strategic commitment from the centre or where – in a familiar circularity – relationships between the sectors were already good. Where relationships were poor, the Compact often did not get off the ground, or stalled. Key factors included:

- the policy environment
- leadership and resources
- continuity
- infrastructure and resources
- incentives
- awareness

In an increasing number of areas, PCTs and NHS Trusts were beginning to engage with the Compact process (most recently prompted by the arrival of a circular from the Department of Health encouraging them to do so). At least 12 agreed Compacts had health bodies signed up and eight more had involved them in developments, whilst others spoke of health bodies 'showing an interest'. In two places Compacts were either being developed separately or were already in place as a separate initiative. Some areas had a range of public sector signatories and, in one area, a Compact that had been in place for some time had been replaced by a more recent version to bring in other partners. The police and learning and skills councils (LSCs) were signed up to a growing number of Compacts and other signatories in different places included New Deal for Communities initiatives, the Connexions Service, the Probation Service and even the Fire Service. In a few areas, GOs and regional development agencies were also signatories. However, the level of involvement that these other partners had in the development process was often very limited. In a growing number of cases, Compact work was being either accelerated or superseded by the Local Strategic Partnership (LSP) or a similar cross-cutting partnership, and a small minority were developing through the LSP although LSPs were themselves at an early stage of development.

Monitoring and evaluation

The study also explored the development of a framework for monitoring and evaluating the development of local Compacts. Key principles for evaluating Compact development included:

1. *Ownership*
   Evaluation needs to engage all potential stakeholders from as early a stage as possible in agreeing the goal of the Compact, identifying needs and, most critically, thinking about measures of success or effectiveness which are relevant to their situation.

2. *Measuring quality and quantity*

The number of relevant quantitative measures – such as numbers of organisations signed up to the Compact – is likely to be small. And while they are relatively easy to measure and to communicate, they will need to be elaborated and explored through the use of qualitative measures which can provide a greater depth of understanding about context, process and the quality of relationships.

3. *Evaluating process and outcomes*

Monitoring and evaluation of the Compact needs to focus on the process as well as the product. This means recognising that the Compact is more than a 'piece of paper' and exploring what lies behind the written words.

4. *Diversity and power relations*

A monitoring and evaluation framework has to take account of diversity. The Compact community often has disparate and potentially opposing interests: within public bodies; between different levels of government; between the different sectors and within the VCS itself.

5. *Sustainability*

The signed Compact document may be a significant milestone on the journey to improved relationships between the sectors but it is not the end of the journey. The Compact is concerned with sustainable change and the process of monitoring and evaluation will need to be an ongoing one.

The main recommendations of the study were as follows:

- Compact development should continue to be promoted across all public bodies and services. Local Strategic Partnerships can play an important role in this and consideration can be given locally as to whether the LSP is the most appropriate body to incorporate responsibility for Compact development. Compact implementation needs also to be actively promoted across all central government departments.

- The role of Government Offices for the Regions in promoting Compact development, implementation and learning should be clarified and strengthened.

- Dedicated resources should be made available to support Compact development, implementation and review at all levels to ensure effective working between the sectors. Designating and supporting 'champions' at all levels is particularly important but these champions should not end up being isolated as the only people pressing for Compact development.

- 'Compact-proofing' should be routinely built into local authority scrutiny procedures and new central government policies and initiatives.

- Compact implementation should be ensured through regular reviews at local as well as at national level. It is important to ensure that a signed Compact is a live Compact, not just a piece of paper. GOs and regional VCS networks could play a facilitating role in this respect. A monitoring and evaluation framework is currently being developed to assist partners in ensuring that the principles of the Compact are being adhered to in practice.

- Greater efforts should be made by both sectors to ensure that Compact development meets the needs of black and minority ethnic (BME) groups, rural groups and smaller community-based groups. While the relevant codes of practice provide a good foundation, more needs to be done to ensure these are embedded and understood at local level. These groups will not properly be engaged until they understand and see its value to the development of their work.

More opportunities should be provided to share and disseminate good practice within and between regions and across all policy areas. However, good practice should not become a prescription. Compact development will be most effective if it reflects local circumstances. No one size fits all and appropriate timing is crucial.

The study The study was undertaken during 2003 and involved interviews with representatives of central government departments, Government Offices for the Regions, local authorities and other public bodies and voluntary and community sector organisations across England. Case studies were carried out in seven areas across four regions.

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1. The Compact: a brief history

The Compact is a framework of principles and values shaping relationships between the voluntary and community sector (VCS)[1] on the one hand and government on the other. Introduced by the government at national level in 1998, after considerable consultation with the voluntary and community sector, it is also being rolled out, along with five codes of practice, at local level across the range of public bodies. Government commitment to the Compact was reaffirmed in 2002 with the publication by Her Majesty's Treasury (HMT) of a cross-cutting review of the role of the VCS in service delivery (HMT 2002), which saw the Compact as underpinning the expansion of the sector's role.

This report reviews the progress of the Compact at national, regional and local level in England and its capacity to deliver on the expectations placed on it. It is based on a study commissioned and undertaken in 2003. The commission required the research team to explore the impact of the Compact on government/VCS relations and to provide advice on a comprehensive strategy for monitoring and evaluation of Compact-related activities. It also sought:

- to understand the extent of knowledge and awareness about the Compact, and the level of its implementation, across government at national, regional and local levels and within the voluntary and community sectors, health bodies and learning and skills councils;

- to examine the extent of gains arising from the implementation of the Compact; and

- to explore ways, including the development of effective evaluation and monitoring procedures, and support for Compact 'champions' by which such gains might be made sustainable.

A later part of this report (Appendix 4) sketches out a framework for monitoring and evaluation and this is being developed in a separate study by a research team led by Professors Taylor and Craig. This will be the subject of a separate report to be published later in 2004.

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1   The term voluntary and community sector (VCS) is used to cover both voluntary organisations – non-statutory bodies employing paid staff and funded often from local or central government, and the community sector – local representative bodies, typically operating without substantial funds or paid staff. The VCS are thus highly diverse and where appropriate, distinctions are made in this report between voluntary and community sector organisations.

The origins of the Compact

Over the past twenty years, the relationship between government and voluntary and community organisations has changed dramatically. From a position as very much 'the junior partner in the welfare firm' (Owen 1964), the voluntary and community sectors have been invited to become full partners. A 'new institutional environment' – as several commentators have described it — has emerged over recent years, especially at local level, where local authorities have been encouraged to transfer service delivery in many policy areas to non-statutory organisations. There has been an increasing emphasis on partnership and consultation with the voluntary and community sector among others.

These developments have brought opportunities to the voluntary and community sector but also new challenges. Research also suggests that experience varies across the country, between policy areas and between different organisations within the VCS. This is particularly true in the latter case since the voluntary and community sectors (see footnote 1) cover a wide range of organisations in terms of their size and capacity to engage in compact development.

Many of these developments and their implications were described in the report of the Deakin Commission on the Future of the Voluntary Sector (NCVO 1996). That report called for a national 'concordat' between government and the voluntary sector, 'laying down basic principles for future relationships', a recommendation that was picked up by New Labour prior to its election in 1997, with its own proposal for a 'Compact' (Labour Party 1997).

Following the 1997 general election, a national Working Group on Government Relations, chaired by Sir Kenneth Stowe and co-ordinated by the National Council for Voluntary Organisations (NCVO), was set up to work with government to develop the framework for a national Compact. This included representatives of the national and local voluntary and community sector and reported to a wider reference group. Critically, the consultative document that the Working Group issued indicated that the Compact should be seen as an enabling framework and not as a prescriptive document.

Following detailed negotiations, a national Compact was launched first in England and then in Scotland, Wales and Northern Ireland as separate developments. Scottish and Welsh national developments have since followed independent paths within devolved administrations and this report focuses solely on developments within England. Here, more detailed codes of practice followed in the areas of funding, consultation and policy appraisal, volunteering and in relation to the BME sector and the community sector (see e.g.

WGGRS 2000). The progress of the Compact at national level has been monitored by meetings of the Annual Review of the Compact, comprising representatives from government departments, the Government Office network and the national voluntary and community sectors as well as the Local Government Association, with a requirement to make annual reports to Parliament. The most recent annual review took place in the House of Lords in April 2003 at which the team conducting the present study made a presentation of their interim research findings (Compact Working Group 2003).

It was argued at the inception of the national Compact that, unless at least the principles of a national Compact were to be enshrined at local level, any national agreement would have limited value. The Deakin Commission itself recognised that 'most encounters between voluntary organisations and the state' take place at this level. When the national Compact was launched, a commitment was made to rolling it out at local level, a commitment reinforced by more recent developments. A subgroup of the working party that negotiated the national Compact took local Compact development forward and local intermediary bodies — councils for voluntary service (CVS), rural community councils (RCCs) and their equivalents – have been playing a key role at local level. This process has not only involved local authorities. Previous research (Craig *et al.* 2001) found that a number of other bodies were beginning to come on board, including health authorities and National Health Service (NHS) trusts, the police and some learning and skills councils. This process has recently been further encouraged in the field of health, where the Department of Health issued a circular in June 2003 urging local primary care trusts (PCTs) and NHS trusts to engage with local Compacts. As the research reported here came to a conclusion, it was clear that this was having some impact.

The need for a framework to govern relationships between the statutory and voluntary/community sectors has increased since the Deakin Commission reported. For example, the introduction of a range of initiatives and programmes requiring consultation with the voluntary and community sector — Health Action Zones, Education Action Zones, Sure Start, Local Strategic Partnerships, policies to encourage consultation in relation to crime prevention and community safety — along with the more comprehensive move towards Best Value, has put relationships between government and the voluntary and community sector increasingly under the spotlight, especially at local level. HM Treasury's cross-cutting review (HMT 2002) has reinforced this trend, introducing new measures to encourage the VCS to play a fuller part in service delivery. It sees the Compact as providing the framework for a more effective partnership in this respect. However, it concludes that its usefulness to date has been limited by a lack of awareness of the Compact in both sectors, by its limited scope and its poor implementation. The review makes a number of recommendations to give the Compact more teeth.

Whilst the voluntary and community sector may welcome its increased profile, these new initiatives are putting considerable demands on both individual organisations and the voluntary and community sector infrastructure. They are also likely to expose considerable variation in practice and understanding: between local authorities and other public bodies; between local authorities in different parts of the country; between departments within individual authorities; and in the way different parts of the VCS are treated. If local government and the voluntary and community sector are to work effectively together to deliver best value in the broadest sense both in services and in democratic government, it is important to learn from and build on best practice. This is the significance overall of attempts to monitor the development of the Compact, to which this study is one contribution.

Research to date

There has been a growing body of research into the Compact. A feasibility study (Craig *et al.* 1999) funded by the Joseph Rowntree Foundation was carried out while the national Compact was being developed, to establish what kinds of agreement and policy already existed at local level. This concluded that there was wide interest in developing local Compacts and that many local authorities had policies and agreements with the local community and voluntary sector which could provide the basis for local Compact development. However, it noted that public bodies other than local authorities were less well-advanced in their thinking. The study found that the most interesting and sustainable Compact developments appeared to be emerging in areas where there was both a long history of dialogue between local partners and where key elements – such as local champions – were in place. It also suggested that the process of Compact development was as important as its outcomes.

This was followed by an evaluative study (Craig *et al.* 2001), also funded by the Joseph Rowntree Foundation, which examined in depth over a period of two years the development of local Compacts in twelve case study areas, two each in Wales and Scotland and eight in England. These case study areas covered a range of differing political and demographic contexts, including some rural areas and some inner city authorities with large black and minority ethnic populations. This second study concluded that although Compacts were becoming an increasingly common feature in the local policy environment, there was a danger that they were being crowded out by other major local policy and partnership initiatives. Instead of being the framework within which the range of new policy initiatives could be embedded, Compacts were taking a back seat while these more immediate imperatives were addressed. The study concluded that, while the Compact could have an

important role to play in changing relationships between government and the sector, as trust became established between the sectors, it may paradoxically no longer be needed. Indeed, it argued, its longer-term future might lie in becoming a template for local partnership working more generally.

Meanwhile, it suggested that national bodies, including government and intermediary bodies in each sector, had a key role to play in ensuring that a supportive framework existed for local Compact development. Key features of this framework might include:

● ensuring that new policy developments did not cut across Compact development;
● providing support and training for key actors;
● ensuring the transfer of best practice; and
● ensuring that marginal groups such as those from black and minority ethnic communities, were not excluded from Compact development.

The study highlighted the fact that Compact development takes time, that (again) process is important, that local trust is a key factor, that a lot depended on committed local champions, that adequate resourcing of Compact development was essential and that there needed to be – on 'both sides of the fence' – a recognition that there was a diversity of interests to be engaged.

Towards the end of this second study, a separate but parallel third and smaller-scale study was mounted by the same team which explored local black and minority ethnic groups' experience of Compact development (JRF 2002). This concluded that few black and minority ethnic voluntary and community organisations were aware of local Compact development or codes of practice, and most felt that they had not been involved properly in local Compact discussions.

The Compact Working Group, with its secretariat based at the National Council for Voluntary Organisations surveyed local Compact development in the interim, as did the Local Government Association and both published occasional reports on progress (see, for example, LGA 2000). These reports were cautiously optimistic about the growing spread of the Compact. However, the Carrington review commissioned for the second Annual Review (Carrington 2002) sounded a cautionary note. It found that Compact development at both national and local level seemed to have lost its momentum, with insufficient support from central government departments and a decline in support from intermediary organisations such as the Local Government Association, which had played an active role at the outset.

A study of the national Compact was being concluded (Hems *et al.* 2003) as the present study was being conducted. This research produced 'a model of the Compact Relationship Building Process that identifies critical success factors and the challenges of developing and implementing a Compact'. The model of relationship-building devised by Hems *et al.* comprised four stages:

- identity and problem setting;
- direction setting;
- structuring; and
- maintenance and monitoring.

Their conclusion was that the relationship-building initiative between government and the VCS had been successful and that the policy and resource environments had improved. Other recent important events included the development of an advocacy service based at NCVO, which takes up government breaches of the Compact at national level.

The present study

The present study had two main components. The first was a telephone survey of key government departments, Government Offices for the Regions, local authorities and voluntary and community organisations across all the English regions. Local authorities were selected to provide a spread of political control and type of authority and to ensure the inclusion of authorities with and without Compacts. Voluntary and community organisations interviewed included the two regional networks for each region, local intermediary bodies and a range of predominantly local organisations selected to provide a spread of policy areas and to ensure adequate coverage of black and minority ethnic organisations.

In the absence of any reliable database of VCOs across the country, a variety of means was used to identify as systematic a sample as possible, and thanks go to the regional VCO networks in most regions for their assistance in this. However, in relying on snowballing and networking, it was inevitable that there would an element of bias towards those areas where Compact development was most advanced and that it would prove even more difficult to get an adequate subsample of BME groups. Nonetheless, it provided an early finding, i.e. that research on the VCS is hugely hindered by the absence of a robust and comprehensive database of organisations.

Phase two consisted of seven case studies in four government regions – a further case study in another region had to be abandoned because of difficulties in gaining the consent of all key parties. This was an area where Compact development had been particularly difficult and it was important to ensure that the research did not have an adverse impact on developments, even though – as a Compact where progress was being pursued despite a poor track record of relationships between the sectors – it would have made a valuable contribution to the research.

Phase two concluded with two workshops with Compact 'champions' from different levels of government and the VCS as a way of testing the findings, developing ideas about monitoring and evaluation and exploring the ways in which the Compact champion role at all levels could be supported. A longer description of the methodology is given in Appendix One.

2. Why do we need a Compact?: metaphors and arguments

The title of this report — *The Paradox of Compacts* — reflects one of the key findings of the study, and indeed most of the studies which have preceded it, that Compacts are most likely to be developed and to work best in those areas where relationships are already good, i.e. in those areas where they are least needed. This was the view of many of the respondents. The most successful Compacts were in areas where relationships between the VCS and local government in particular were fairly robust, where discussions between the sectors were mature and where government processes allowed for effective planning, including financial planning. The creation of Compacts therefore presented relatively little difficulty (although these areas were no more able to escape pressures of time and resources within a crowded policy arena than any other). Conversely, where relationships were poor and Compacts held the promise of encouraging genuine improvements, they were less likely to get off the ground.

It seemed, therefore, that there were two broad arguments for a Compact. In areas where relationships were already strong, the Compact and its codes of practice were seen as a way of cementing and securing those relationships. In these circumstances, some might see it as a placebo, with no added value. However, several respondents disputed this. It had a function of prevention, making sure that the underpinning of those relationships was secure and sustainable. It could act as a thermometer, 'testing the temperature' of relationships between the VCS and other more powerful policy actors at a local, regional or national level, particularly when used in conjunction with an effective framework for monitoring and evaluation (which is discussed in Chapter 4). It could also be a longstop or lifebelt where relationships which had been working well between the relevant sectors had started to come unstuck. At that point, a framework agreement to which all parties had put their signatures, might be something to which all could revert to protect their interests and to restore relationships. Less dramatically, the Compact or its codes could pick up the occasional hiccup in relationships and make sure that breaches did not become significant. An example of this drawn from the case study work was apparent in an area where a VCO had been threatened with withdrawal of funding and it was able to point to the fact that it had not been consulted in order to protect its funding for a further year. Indeed, and unsurprisingly, one of the more common uses of the Compact, even where local relationships were relatively good, was over the question of consultation around funding decisions – which tend to be at the heart of statutory-voluntary sector relationships.

In other areas, where relationships were less good, the Compact might act as a lever for change. For example, during the course of the study, the Department of Health (DoH) issued a circular enjoining local health NHS organisations, (Primary Care Trusts and NHS Trusts), to sign up to local Compacts. According to evidence collected during this study, this is beginning to happen. However, while this is an important development, it will be important for Trusts to engage in the process of developing mutual understanding that has characterised the best Compacts between local authorities and the VCS. Simply signing up to the local Compact, without engaging in this process, might lead to a superficial commitment which could easily unravel.

The Compact could also act as a lever for small local organisations or those representing black and minority ethnic organisations to get themselves to the policy-making table. Both types of group have been fairly marginal to Compact development to date, but the codes of practice that have been developed have the potential to bring them closer to centre stage. Another example of using the Compact as a lever for change would be in a situation where relationships between the sectors were poor. Here, the structure of the Compact, with its codes and need for an action plan, could provide an opportunity for the sectors to work through difficulties and emerge with rather better prospects for joint working. Again, there was evidence in the study that the Compact had been used in this way. One of the longer-term Compacts studied in Phase Two was triggered by an Audit Commission report that was critical of the local authority's grant-making procedures. In two further areas, the local authority had been criticised by District Auditors for their grant-giving mechanisms to local VCOs. In one of these areas, the local CVS had helped to improve procedures and the improvement was not so much a case of the Compact acting as a lever for change as an example where working through a local crisis had triggered the process of developing a Compact. In the other area, however, it was hoped that engagement with the Compact would improve relationships which had deteriorated.

In areas where relationships are poor, government can offer either sticks or carrots to encourage local policy and service delivery actors to sign up to the Compact. Examples include the reference to the Compact in the guidelines for the accreditation of Local Strategic Partnerships. However, in this case, since accreditation was only denied in one case, it was probably less of a lever for change than had been hoped. On the other hand, the prospect that the development of a Compact (along with the crucial five codes of practice) would lead to local working relationships that were relatively free from constant conflicts and uncertainties, might be seen as an attractive carrot to dangle in front of those public bodies where relationships were poor. It might also be an effective carrot for drawing in other public, or quasi-public, bodies who felt marginal to key local policy developments.

The emphasis in most of the local interviews tended to be on what government should do. VCO obligations tend to be less high profile, although the promotion of equal opportunities did feature in a number of local Compacts as well as at national level:

People don't necessarily see it as a two-way street. They see it as the Council agreeing to do things, but they don't necessarily see that they are also tied to doing things.

(VCS respondent)

A clear recognition has emerged in this study both of the responsibilities of the VCS and the need to meet these in a timely and transparent fashion. It may be that a more even balance of obligations would give the Compact a stronger sense of being a two-way process rather than a restraint on the more powerful partner and paradoxically create a more even balance of power. But these would have to be obligations freely entered into – there was concern that some district councils and PCTs in the case studies, for example, saw the Compact as a way of 'tidying up' the VCS and keeping it in line, especially where these bodies wanted VCOs to shift to outcome-based performance management and monitoring systems.

Generally, however, one might expect that it is the VCS that would be most likely to support Compact development with its potential to place its relationships with public bodies on a firmer and more consistent footing. Nonetheless, there were those in the VCS who did not feel the Compact was necessary. These represented an interesting mix of organisations, including:

- those who were big enough to manage without it;
- those who were seen as a high priority by government: one BME respondent, for example, said that if he had a problem he went straight to Number 10, another that he went straight to senior management in the local authority. A number of respondents in the neighbourhood renewal field also questioned the need for a Compact and this might reflect the fact that, in a high profile policy area, they have other channels of influence; and
- smaller organisations who do not see that it has any relevance to them, including some minority ethnic groups who see themselves as fairly self-sufficient – the Asian community in one of the case study areas was an example of the latter.

It is the large number of organisations in the middle, those who are not in the limelight, who are crossing the threshold into a more active relationship with the public sector as service

providers or in consultation, and who are more reliant on government funding or recognition, who most feel they need this framework to safeguard their independence and operational survival[2].

It is important to recognise that the Compact is not just a signed document. Many respondents used the metaphor of a journey to describe Compact development: the process of Compact development started from the position in which the sectors found themselves when the idea first emerged and it moved, often unevenly and sometimes not at all, towards a goal – of improved inter-sectoral relationships — which was so diffuse that it generally defied precise description. The signing of a Compact was not the end of this journey but a milestone along the way and more attention needs to be paid to what happens after it was signed, especially in those areas where the Compact is very broad and abstract.

What is clear from these metaphors is that, while this research and that of others (for example the Compact Working Group and the Local Government Association) has shown a trend towards increased coverage over the past few years, progress in developing the Compact is uneven and the value of the Compact at different levels varies considerably. One size certainly does not fit all and some of our respondents emphasised the importance of getting the timing right – the best time to develop a Compact may be different for different localities. The role that the Compact plays therefore has to be understood both in terms of the overall relationship between the state and the VCS, and also in terms of the characteristics of the relationships it is being used to underpin in specific circumstances.

With these general observations in mind, the following chapters explore some of the key findings in relation to each sector covered in this study and identify areas where further work needs to be carried out to strengthen the reach of the Compact, at national, regional and local levels.

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2   This reflects the finding in NCVO research (Hems and Passey 1998) that it was middle-sized organisations who faced the greatest challenges following the increase in contract funding during the 1990s.

3. Progress and problems - i : national and regional government

Central government and the national Compact

In Phase One, representatives from five government departments thought to have the greatest levels of engagement with the VCS were interviewed, and a further four departments were covered in Phase Two of the study; fifteen interviews were carried out in all. The departments covered were the Home Office, Department of Work and Pensions (DWP), Office of the Deputy Prime Minister (ODPM), Department for Education and Skills (DFES) and Department of Health (DoH), (all Phase One), Department for International Development(DfID), Department for Culture, Media and Sport (DCMS), Department for Trade and Industry (DTI), and Department for the Environment and Rural Affairs (DEFRA) (all Phase Two). Interviews were also conducted in one non-departmental public body (NDPB), although there was uncertainty at the time over whether NDPBs were covered by the Compact[3].

The interviews were carried out early in 2003. As such it is important to recognise that changes made as a result of HM Treasury's Cross-Cutting Review (HMT 2002) were only beginning to take effect. For example, the Cross-Cutting Review recommended the appointment of G3 champions (that is, designated officials at a fairly high level of standing within central government departments) as a way of driving the Compact forward. At the time of the research, these appointments had had mixed results. In a minority of the government departments interviewed, it appeared that G3 champions had personally embraced that responsibility and done so with enthusiasm; in the others, promotion of the Compact has been delegated or independently taken on by other staff with an interest in the Compact – often officials whose work was more centrally involved with the VCS. Indeed, in this research, only three G3 champions made themselves available for interview, the rest nominating substitutes. The role of Compact champion was generally seen by these more junior officers to be an 'add-on' to an already heavy workload at G3 level. However this did not always mean that the champion was not taking the responsibility seriously. In one case, the G3 champion employed a worker with VCS experience to take on the major responsibility for this work – along with the Home Office it was the only department to devote specific resources to this work.

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3   In fact the 2003 Annual Review has since clarified that NDPBs should be included within the scope of the Compact.

At central government level, respondents felt that it was those in senior management and those who have direct dealings with the VCS who were most likely to know about the Compact. However, most respondents felt that there was a lack of direction and commitment from those ministers and senior managers who did not have direct experience of the sector. Where the Compact was generally not seen as a political priority for ministers, it tended not to be seen as a priority within the departments at official level either. Some felt that this was not surprising, arguing that ministers were generally concerned primarily with more immediate political imperatives. In addition, in the context of a strong performance management culture, the Compact, as a statement of principles without sanctions, was seen by some as being 'countercultural'. This made it more difficult for it to command attention – a point to which we shall return.

Only two departments of the nine interviewed reported that they had devoted any significant financial resources to implementing the Compact. Nonetheless, most departments were now taking active steps to promote the Compact and had mailed or emailed information to contacts and branches. The main responsibility for supporting implementation lay with the Home Office, and Home Office speakers had attended workshops both in other government departments and in the VCS. Its Active Community Unit had taken the opportunity provided by the Cross-Cutting Review to increase the resources devoted to Compact work, to develop an action plan and to clarify the role of Voluntary and Community Sector Liaison Officers (VCSLOs) within all departments. Its officers had held training events with government officers on the codes. Elsewhere in central government, one department had carried out a wide range of activities to take the Compact out to regional and local organisations, both statutory and voluntary.

Box 3.1:   Cascading down

In one department, researchers were told that officials leading on the Compact had visited regional offices to publicise the Compact, written to divisional managers, run workshops, held roadshows, spoken to partnerships within their remit, posted hard copies of codes to the VCOs they worked with, disseminated the Compact to key officers internally, discussed the Compact at meetings of forums held with the VCS, and made sure to mention it at ad hoc events (VCO AGMs and conferences attended). The officials had also looked for evidence of awareness of Compact and codes in the business plans of partnerships it worked with. However, while this meant that Compact development was well-supported in one area of the department's work, other parts of the department were not so well-informed.

A second department, which had not done much on the Compact in the past, was now promoting the Compact more actively in response to new policies which placed a greater emphasis on public involvement and required a greater diversity of service providers. A third had designated a regional director to take a corporate lead on Compacts and was relying on field directors to cascade the Compact down to localities. However, awareness was still limited to certain sections within the department.

There were four departments where the relevance of the Compact was thought to be limited. In the first case, the department's work was mainly outside the UK, but it had been involved in developing the Compact and had then adapted relevant chapters for use by its officers abroad. In the second case, the department worked mainly with non-departmental public bodies (NDPBs), to whom it understood the Compact did not apply (see earlier footnote). However, one of the NDPBs with which it worked had done an evaluation of its work against the requirements of the Compact. In the third and fourth cases, the champions were promoting the Compact in relation to particular aspects of the department's work, but did not feel it appropriate where (again) they were dealing with NDPBs or large government contracts.

Implementation seems to depend on the extent to which government is expecting departments to work with the VCS, the existence of structures which allow it to be cascaded down (e.g. Connexions, Job Centres Plus), reliance on the VCS to provide services dealing with homelessness and the background of civil servants (in one unit many had a background in the VCS). Thus, practice varies in different units within departments. In two departments, implementation of the Compact has been mainly targeted at particular streams of work where it seems most appropriate; issues remain about wider awareness across these departments as a whole. Indeed, in one of these departments, the second civil servant we interviewed, whose responsibility included work with a range of VCOs, knew nothing about the Compact.

It was difficult for respondents to comment on the general level of awareness within their departments. The sheer size of many central government departments and the lack of understanding of the sector makes it difficult to promote the Compact throughout these departments. It also makes it difficult to promote the kind of face to face contact that most people agreed works best. However, four departments confidently expected levels to rise in the coming year as a result of the strategies they were adopting.

All departments bar one had action plans. In this one department, the champion was resistant to the idea of 'yet another action plan' and wanted instead to see the Compact mainstreamed throughout the department's work. Elsewhere, reference was made to funding

procedures which had been changed to take VCS concerns on board – in addition, codes of practice have provided the basis for reviews of particular funding streams, and volunteering in one department, and of funding contacts with the sector and their relations with BME groups in another.

Box 3.2:   A lead from the top

The Department of Health (DH) has established a national working group to bring the DH, NHS and health VCOs together; this group expects to get health bodies to sign up to Compacts first (and this has been endorsed in a departmental circular) and then see how Compacts can be used in specific streams of work i.e. service delivery re plurality of provider. There will be boundary problems in a number of areas, since some PCTs are not coterminous with local authority boundaries; however the cultural change taking place within the DH means that the salience of the Compact is now beginning to increase.

One government department had carried out a baseline study about the Compact and two had specific plans to monitor implementation, but the remainder indicated that they had little idea about how to monitor its effectiveness. For this reason, systematic monitoring is rare, and it is therefore difficult to speak with confidence about levels of awareness, mainstreaming or impact. There is, however, some awareness of the barriers to engagement with smaller organisations (for example in funding smaller groups) and the funding code is being used to try to remove these barriers.

In terms of impact, most respondents still felt it was too early to say what effect the Compact had had on relationships with the VCS. Generally, however, they felt that the impact had been limited so far, or they did not know what its impact had been, which may amount to the same thing. Feedback from the VCS in relation to one government department was that this department appeared to regard the Compact as a 'dead letter', although another, which was now being required to work more closely with the sector, had found the Compact a useful tool for helping staff to do this. Those VCOs that had contact with central government departments also felt that the national Compact had improved relationships by making them more open. The more active Government Offices for the Regions (GOs) were also enthusiastic about its potential impact as well as its value as a tool for developing local partnerships. However, there was much criticism of central government departments from both sectors at regional and local level for not complying sufficiently with the commitments of the Compact, particularly when it came to consultation and funding timescales. As one GO respondent said: 'we expect the policies we're asked to implement to be Compact-proofed'. When they are not, this has a domino

effect, making it more difficult for local authorities themselves to comply. Moreover, when these breaches occur it is difficult for the GO, local public bodies or the VCS to do anything about it.

In principle, the Compact is seen to reinforce other initiatives that require partnership working with the VCS or the community as a whole, but most government respondents were unclear about how far this was the case. Overall, they agreed that linking the Compact with the accreditation of Local Strategic Partnerships (LSPs) had raised its profile, while, for example, the New Deal for Communities, legislation such as the Race Relations Amendment Act, the introduction of Regional Development Agencies and the health and social inclusion agendas all offered the opportunity for a good fit with Compact principles; however the feeling was that this opportunity had not generally been seized.

In summary, at the time of the study, progress was being made in most of the central government departments interviewed, after a slow start, but was still generally limited to those 'in the know'. The Cross-Cutting Review had undoubtedly had an impact in raising the Compact up departmental agendas, however, and this study does not reflect more recent developments in this regard. In the early part of 2003, considerable variation was found both between and within departments and there was a need for clearer and more systematic monitoring as well as sharing of good practice. The champion's role needed further exploration and resourcing; making it simply an 'add-on' to existing roles meant that it could be marginalised. This had been exacerbated by the fact that civil service roles tend to be rotated and there is therefore considerable difficulty in sustaining momentum in Compact development within central government departments. At the time of this research, the scope of the Compact also needed to be clarified: although respondents interviewed in the one NDPB claimed that its work was consistent with Compact principles, it did not consider that it was covered by the Compact. However, this clarification has now been given – NDPBs are included within the scope of the Compact.

Regional government

Government Offices for the Regions are covered by the national Compact. However, in a limited number of cases, they were signed up to local Compacts. In addition, most were exploring the idea of local Compacts. The Mayor's Office in London had signed a Compact with the VCS, two GOs were developing a regional Compact, and two more were about to start discussions. A sixth region had a regional concordat, which it saw as covering similar ground, and a seventh had convened a regional Compact group to consider how to support

the Compact regionally. However, respondents in a number of regions were not convinced of the value of a regional Compact *per se*. In these circumstances, it was not surprising to find that few local organisations had any knowledge of, or engagement with, regional Compacts.

Potentially more important is the role that GOs could play both in promoting the national Compact at local and regional level and in promoting local Compact development. However, the interviews were carried out before the recommendations of the Cross-Cutting Review had been fully implemented and it was clear that, at that time, their potential in this respect had yet to be developed. According to the respondents, central government departments had not taken any particular steps to disseminate Compact information to the GOs over the previous year, nor was there any evidence of any strong or sustained contact between central government departments and GOs over the Compact in the recent past. However, since this research took place and in response to the Cross-Cutting Review, Compact engagement has now been included in a statement of delivery requirements of GOs. The Home Office had also asked the DTI to require Regional Development Agencies (RDAs) to take on the Compact in their work but this was not taken forward, because it was not thought to be appropriate for the DTI to 'micro manage' RDAs in this way.

Since interviews in this study took place, the GO role in relation to the Compact has been expanded and clarified. However, at the beginning of 2003, the study found that expectations of the GO role were unclear. In the absence of central guidance, GOs had therefore taken a variety of approaches. For example, one had set up a regional Compact group with key regional agencies which is meeting regularly and developing an action plan (one of two to be developing such a plan). Two more GOs reported regular meetings with VCOs or their networks, and a third saw the development of the regional Compact as the means through which Compact development would be promoted more generally. Others had sent copies out to relevant people, and two had run seminars with GO officials. Two were waiting for guidance from the Active Communities Unit (ACU) before taking any action. This guidance should now be forthcoming as the recent Active Communities Directorate (ACD)/GO Service Delivery Project Group has as one of its tasks the requirement to look at how the GOs can build on implementation of the Compact and encourage the development of local Compacts.

Some respondents commented that the Cross-Cutting Review had itself raised the profile of the Compact and one GO had held three seminars on this review. Others planned to do so later in 2003 and felt that awareness both in the GO and beyond was likely to rise as a result. VCS groups have been set up in some GOs to facilitate closer working between teams with an interest in the VCS and these are now being extended to other GOs. This

should help to address the finding, at the time of the research, that levels of awareness about the Compact in most GOs were felt by respondents at national and local level to be limited to the lead officer/team (although this again varied between regions). Thus, although one respondent was engaged with work on Neighbourhood Renewal and Local Strategic Partnerships, she had only heard about the Compact in passing and did not feel it was relevant to her work – the same applied to a respondent who was involved in Sure Start. In several GOs, at the time of the research, respondents found it difficult to identify a second person with sufficient knowledge of the Compact to interview, and opinions differed considerably on the extent to which the Compact was being integrated with other initiatives, such as LSPs.

There was commitment to the Compact from most GO respondents interviewed, but they argued that if they were to increase their role in relation to the Compact, this would require the commitment of resources. Posts to support the implementation of the Cross-Cutting Review have since been created but, at the time of the interviews, Compact development was only one of a whole range of issues that the Home Office appointees in the regions (now known as Communities Group Liaison Officers) had in their brief, and one that had no funding attached. There were no dedicated resources to support Compact development and interviews suggested that Government Offices were overstretched and under-resourced, with staff turnover a problem in some cases. There was also variation between the regions as to the allocation of responsibilities. In one GO, efforts were being made to put Compact development resources into the business plan, but one respondent felt that little would be possible if this was not successful. Some respondents felt that there was insufficient commitment from senior managers. All this meant that, at the time of the study, GO involvement in specific local developments was limited and that people involved in Compact development at local level rarely looked to GOs for support, although they were invited to speak at consultation events and launches.

Support for local Compact development also depended on the commitment of regional networks. Some of these were playing a major role in researching Compact development and promoting the Compact regionally. Others have little information about Compact development in their area and have not given it priority. Most VCS networks appeared under-resourced and unable to engage effectively with GOs or put pressure on them to engage with the Compact process. Some regional VCS network directors had only been in post for a short while; this was particularly true of BME regional networks, some of which were very fragile.

Box 3.3:   Good regional practice

One regional network has carried out a survey of Compacts in the region to benchmark developments and has now developed a Compact 'toolkit'. It has held a number of regional events on the Compact to get feedback on experience and a number of VCOs interviewed in the region commented on how helpful this had been. The network will carry out a follow-up survey once the toolkit is disseminated.

Most GO respondents in the study seemed aware of what was happening at the local level and how local Compacts were working. Generally, therefore, while none of the GOs was yet monitoring systemically what was happening in relation to local Compacts within their regions, they knew which local authorities had Compacts, whether they were working well and whether they were being reviewed. Two specifically mentioned carrying out mapping exercises. Only one office was unable to tell us much about local Compact development, except in relation to BME groups. The most active GOs also felt that the Compact had had a positive effect. However, most felt its impact was patchy. Where relationships were already strong, they were not convinced it was needed (the 'paradox' effect) and if they were weak it was felt that the Compact did not help. However, it was generally agreed that the Cross-Cutting Review was likely to strengthen the Compact's position in due course.

Finally, a common theme in the interviews with GOs was their frustration with the failure of central government to comply with Compact requirements, both on funding and, particularly, on consultation. One GO had responded to a central government circular pointing out that it was not consistent with Compact principles.

In summary, at the regional government level, examples were found of good practice but, at the time of the study, it was still 'early days' with respect to a more active role for GOs, and even in the best regions GO potential was not yet being fully realised. There was a lack of clarity about roles and expectations, while awareness was limited to a small number of civil servants – Compact principles were not being mainstreamed into the work of GOs. Local champions did not see GOs as key players and were unlikely to do so until dedicated resources were made available. However, steps have been taken since the study to address this. Similarly the picture in relation to regional networks is patchy, although one region has been very active in promoting local Compacts. At present, although some GOs are developing regional Compacts, there is relatively little conviction or evidence that a specifically regional Compact would be useful – GOs are already bound by the national Compact – and a lack of clarity about what its purpose might be. The research suggests that regional government resources may therefore be more effectively deployed in promoting the national Compact and local Compacts.

4.   Progress and problems – ii : the local governance arena

The state of play

Overall, of the 96 localities covered in Phases One and Two, half (49[4]) had a Compact in place, while just over one in four (27) were developing one. One of the Compacts was with health bodies only. Conversely, just under one in four (22) had no Compact at all, but two of these areas had definite plans to develop one. Of the 27 Phase One areas which were developing a Compact, there were two where a previous agreement between the sectors was being reworked into a Compact, and six where the process had stalled as a result of a change in personnel, because of disputes, or because other local developments had taken precedence. In several cases where the process had stalled, the interest generated by the research was leading to a revival of discussions about the Compact at least amongst some parties. In four areas, signatories were reworking existing Compacts in order to breathe new life into them, add detail to a Compact which had initially been rather vague, or to bring new partners on board (See Box 4.6 and case study 6). However, in two localities, local authority respondents suggested that the Compact might now be becoming redundant, referring to service level agreements with the CVS or others in the sector as making a Compact less necessary.

Of those with Compacts, just over one in three (18) had at least one code, although a few more said that the codes were incorporated in their main Compact document. Conversely, one authority only had codes. Few had all five – the codes were most likely to be around funding, consultation, and, in some areas, BME groups. Hardly anyone had a code on the community sector; indeed, this has only recently been published at national level. Additional codes mentioned by some respondents included codes on premises, on improving practice, on communications, on performance management and on commissioning, as well as, in one case, a protocol on officer/member involvement with VCOs. Some of those developing Compacts were developing codes as part of the overall development process; most saw this as coming later.

The situation in two-tier authorities was mixed. Some districts were signatories to the county Compact; others had developed their own; some were waiting for the county to decide what to do before making their own decision. Differences in political control could

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[4]   This includes two districts which were part of County Compacts and where the County was also part of our sample.

complicate matters. Counties who were developing Compacts reported that the development of separate district Compacts could be a problem, especially where some had Compacts and some did not. In one county, none of the seven districts were signed up to or part of the development process of the county Compact. In 1999, when the Compact process had started, the decision was taken by the local county and district councils for voluntary service (CVS) not to try to create a single Compact covering both county and districts as it might both be too difficult to achieve and lead to token involvement. Since that time, only one local CVS had had much significant involvement with its parallel district council in developing a district-based Compact. However, there are more positive examples, as Box 4.1 illustrates. Out of 16 counties with a Compact or developing one, eight included all the districts, three were mixed and the others had not involved districts. In only two authorities, however, was any evidence found of engagement with town or parish councils.

Box 4.1:   Good practice in a two-tier authority

In one mixed rural/urban two-tier area, the county-wide association of local authority chief executives decided jointly it would be better to have a county-wide Compact to which could be added district involvement at a later stage if required. In fact, at the point of signing off, all districts as well as the county, together with all VCS umbrella groups, the police, probation, health authority, Connexions and the learning and skills councils (LSCs) signed it as an act of commitment. This level of engagement was unique to our research. An ongoing monitoring group with equal representation from local authorities, VSC and health bodies now exists and directs the work of a paid Compact officer. This area was also unique in engaging at parish council level – albeit in a fairly token manner – through the local Association of Local Councils which has almost 200 representative bodies in membership within the county. However, there appeared to be a downside to what appeared to be a promising area for study; for example, the level of commitment in some organisations was fairly superficial. In one statutory agency, the identity of the lead officer had changed three times in seven months.

See also Appendix 3: case study 7

Because of the difficulties in accessing robust databases, the Phase One sample of VCOs in particular could not be regarded as either random or representative. It was easier to get interviews with people who knew about or were developing the Compact than not, although the sample was selected to make sure that there was a spread of Compact and non-Compact areas. Some of those interviewed will have agreed Compacts or added other partners (particularly in the health field) since the study was completed.

In the Phase Two areas, a more representative choice of areas and of the organisations within them was possible: the eight case study areas covered four largely rural areas, four largely urban areas, set within four disparate government regions, and with four containing substantial black and minority ethnic populations. However, one of the case studies was abandoned halfway through for the reasons given in Chapter 1.

Within each of the case study areas, between eight and ten interviews were undertaken with a range of organisations including local authority, NHS bodies (usually PCTs), learning and skills councils (where available for interview), local umbrella VCO bodies, smaller community or voluntary organisations including some organisations working with people with special needs such as homelessness or learning difficulties, and some BME-led groups. In two of the case studies where county-wide Compacts were developed, some staff in district councils were interviewed and contact with town and parish councils was also made. Amongst the seven case study authorities, only three had a Compact in a fully developed fashion and two of these were signed in 2003, although a fourth had a Compact with NHS bodies. In a fifth, an early Compact signed in 1998 had lost momentum and was being redrafted. In the sixth locality, the Compact has since been signed after some three years in development. In the seventh, Compact development was just beginning. The case study areas are described in Appendix 3 – these have been anonymised to ensure confidentiality for interviewees. The following discussion draws on both Phases.

Timescales

Although local government reorganisation in England (1995-1998) had kick-started a number of older Compacts, the majority of Compacts were relatively new. Development times can be quite lengthy. With so many other government-driven timetables to meet, the Compact timetable had clearly slipped considerably. In one region, there were three areas where consultation had started some three years before and still no Compact had been agreed. In one case this was because the authority had changed its development plans; in two the VCS was still consulting. As the present research was completed, one two-tier area finally launched its Compact after a two-year period of consultation and a unitary authority launched its Compact after three years. However, as Box 4.2 illustrates, a lengthy development phase is not necessarily counterproductive and may provide a firm foundation for the future.

Box 4.2:   Providing a firm foundation

In one unitary authority, the Compact was launched in 2003 following a long period of gestation. The local authority had provided resources for the CVS to do some specific development work, the leader and cabinet members had been involved, and a continuing monitoring group comprising eight representatives each from the local authority and the VCS had been established. In many ways, this reproduced the conditions outlined in the earlier research for the successful creation of a Compact (Craig *et al.* 2001), i.e. the provision of resources, commitment from the top, and a procedure for review. However, it is obviously too early to explore its longer-term impact locally. If it works well, the lengthy process may be seen to have been worthwhile. Even here, however, local respondents commented that when other government initiatives arrived, particularly those carrying some statutory requirement, the Compact was put 'on the back burner'. Nevertheless, respondents from mainstream organisations here argued that progress, despite some setbacks, was due to the generally good relationships which pre-existed the Compact (in response to a question asking respondents to rate the pre-existing relationship, a score of 4 out of 5 was given), although smaller VCOs had a rather more sceptical view.

See also Appendix 3: case study 1

Factors promoting or hindering development

There was a clear variation between localities in terms of levels of energy and engagement and Compacts were most likely to be in existence where there was a strategic commitment from the centre or where – in a familiar circularity - relationships between the sectors were already good. Where relationships were poor, the Compact often did not get off the ground, or stalled.

The policy environment

As was found in previous studies (Craig *et al.* 2001), the pace of change in the wider policy environment meant that the Compact was competing with many other initiatives for attention. One CVS referred wryly to 'death by 1,000 partnerships', while local authority described itself as:

a perennial organisation of reorganisation. If a few sit in the same seat for a year, we think we are doing quite well.

This has implications for both leadership and continuity.

Leadership and resources

It is important to recognise the significance of the lead taken by central government in the development of Compacts. The national Compact and its codes of practice had provided a blueprint and a driving force for local Compacts and HM Treasury's Cross-Cutting Review had injected a new momentum into local Compact development in a number of areas.

At local level, a lead from the top, along with 'champions' in both sectors was crucial. Most of the local authority lead officers interviewed had some sort of corporate role and many were located in central, corporate departments. A number had responsibility for grants and were located in VCS roles/units and some of the most effective local authority lead officers also had a background in the VCS. However, many of these officers were junior or middle managers without the necessary authority to make the Compact stick – most were third-tier and below. This is an interesting parallel with many of the G3 champions in government departments who, whilst they had a level of seniority which might have given them some leverage in discussions about the Compact, had in fact delegated their Compact role to other, less senior colleagues.

Some lead officers were now identifying funds to employ a consultant or a new staff member – in one case this was to breathe life into an agreed Compact after an inactive period. In a number of areas, limited resources were also available for publicity and development. However, in most cases, the Compact has been added to current workloads and several respondents commented that the number of government initiatives they had to deal with made it difficult for them to find the time to devote to the Compact. A number of those spoken to – especially those in areas without a strong track record of relationships between the sectors – also felt quite isolated and made a strong case for sharing experience and examples of good practice across authorities.

Member involvement was very patchy. In the most successful Compacts, leadership came from the top and through the lead councillors, but elsewhere, respondents indicated a lack of member involvement and the need for a 'member champion' if the Compact was to be effectively implemented.

Box 4.3:   Leadership – a comprehensive approach

One major city has set up an independent Commission tasked with the role of developing a Compact and reviewing how the local authority worked with the VCS. The Commission has an independent Chair (from a local University) and has a mixture of statutory (including health and the LSC), local authority (LA) members and VCS representatives including BME organisations. Evidence was collected over a twelve-month period from a broad range of local and national organisations. Some small payments were made to facilitate VCS involvement with the Commission and area visits were made to make sure the whole city was covered. Seminars were held for BME groups to ensure their involvement, and care was taken to fit into VCS timescales and venues. In the local authority, a policy officer has been working on Compact development for 60 per cent of her time. The local authority's Voluntary Sector Officers' Working Group has also contributed to the process.

The Commission recommended setting up five thematic groups to take Compact development further: governance, partnership, diversity in the BME sector, funding and commissioning. The City Strategic Partnership (CSP) discussed the Commission report and nominated people from different sectors to head up the thematic groups, each of which had participants from the statutory, private and voluntary and community sectors. These groups reported in December 2003 and the City Strategic Partnership presented a series of recommendations early in 2004, which are now under consideration. Progress is continuing on the drafting of the Compact and signatories are expected to include the local CVS, the local authority, the health authority, the LSC and Connexions.

In most cases, it was the CVS, or corresponding umbrella group, that led developments in the VCS. There were a number of cases where local authorities had funded Compact-related posts in councils for voluntary service. Several commented on the increase in demands for them to be involved in partnerships and consultations and whilst many welcome the government's new openness it puts heavy demands on their resources. In one case, a Compact had not proceeded because the local CVS was in financial difficulties and could not put the work in to sustain the development that was required. There was also one other authority where statutory bodies were keen to develop a Compact but the local VCS bodies were not.

Continuity

Continuity was essential. Local changes could have a significant impact on the progress of the Compact, especially when they brought with them a change in personnel. Several

Compact development processes had been disrupted by a change in the local political environment. Thus one CVS secretary commented that those in the VCS negotiating the Compact had 'seen off' a hostile council leader, then lost a friendly one with a colleague who had volunteered to be a champion within the authority, and were now working with a third leader who was not promising much at present. Another CVS secretary, in an area where Compact development had been almost first in the field, had also been through three political regimes in four years with corresponding twists and turns in fortune for the Compact (here the VCS respondent rated relationships with the local authority as being between one and two on a scale of one (poor) to five (good).

Although Compacts sometimes followed a change in administration, they could just as easily be destabilised when a key person left – in either sector. The highly turbulent and rapidly-changing policy environment means that organisational restructuring and people moving on are common experiences and this 'churning' of staff can make the development and sustainability of Compacts quite difficult. Many respondents pointed to the huge number of new initiatives coming through from government as being the major difficulty in moving the Compact along more quickly; this perspective was shared across all sectors whether it be health bodies (with targets and reorganisation driving local agendas), local authorities, police or learning and skills councils.

Infrastructure and resources

An effective and trusted voluntary sector infrastructure is also important. However, in one of the case study areas, a seemingly solid Compact had lost momentum with the departure of the CVS secretary. Her departure had exposed the fragmentation of the local voluntary sector and some resentment at the CVS as being too concerned with developing its own projects and services (in competition with its members). The BME sector here also was divided and it was difficult to see how the Compact would get back on course unless there was some leadership to encourage the sector to sink its differences.

The Community Empowerment Fund (CEF) had given a number of intermediaries resources to develop the Compact and some were actively engaged in developing the Compact. However, in one of the Phase Two case study areas, the CEF workers did not believe that it was their role to deal with Compact consultations and argued that many of the groups they worked with found it irrelevant. It was clear in this particular area that they resented the use of this funding stream for Compact support.

Incentives

A number of the organisations spoken to remained unconvinced of the value of the Compact. This was particularly true of smaller organisations which did not see it as having a focus specific to their interests and, conversely, with branches of national organisations who did not feel that they needed to engage. Some of the respondents saw no need for the Compact because they had a direct line to the local authority – or in one case (it was claimed) to the Prime Minister! This included some larger organisations and those with a high policy profile – some BME groups, for example, or groups in the neighbourhood renewal field. Others had become disenchanted with the process – where a Compact had been quickly cobbled together and had not really engaged both sectors during the original process of consultation and development, it was likely to sit on a shelf with no life in it. Still other respondents felt that the process of development had been too long, that it had no deadlines and offered no incentives (such as additional funding) to encourage compliance. A number of respondents commented on a lack of connection and support between central and local government on this issue and were keen to see a strategic push from central government to get Compacts higher on the local agenda. Indeed, as noted earlier, the interview sometimes acted as a wake-up call for them to consider where they were in their action plans. The national Compact had served its purpose in providing a basis on which local Compacts could be developed, and in some relatively rare cases, GO promotion had helped with Compact development and implementation, but more needed to be done.

It was mentioned earlier how Audit Commission or District Audit reports had triggered Compact development in some areas. In some cases, Compact development had been an outcome of Best Value reviews, while in at least one area Compact development was part of a comprehensive performance assessment (CPA) improvement plan. A small number of authorities were beginning to engage in Compact development because they thought they might miss out on funding opportunities otherwise. In a climate of performance management and targets, the sanction-free Compact is something of an anomaly, even, as we noted above, 'countercultural'. While some welcomed this, others felt that unless there were more sanctions it would not be taken seriously. One ISC respondent, for example, said that he/she was worried about whether the Compact had any teeth and did not want to invest in it if it did not. On the other hand, one regional VCS network pointed out that a shotgun marriage was not necessarily a good idea:

If you're forced to develop a Compact, then by definition that is not really a Compact. If you don't go through the extensive process of negotiation and bargaining, it will be a waste of time.

Awareness

Most respondents felt that awareness about the Compact beyond key contacts within the IA was limited and there were few attempts to engage staff in implementation. Sometimes this was said to be because the Compact was not relevant to all IA staff; others claimed that local authorities were more focused on external rather than internal communication. As we have seen, Compacts had to jostle for attention with many other initiatives:

… it is like a lot of things…part of the difficulty for staff is the pure number of documents, initiatives and policies and so on, that it is hard trying to make sure they are aware of all of them.

If something is seen immediately as not your role and responsibility and you already have too much to do…things that you need a medium or long-term view of fall out of focus a bit.

Most of those interviewed expressed the necessity for mainstreaming the Compact, for example, in terms of consultation and decision-making, but in most areas the Compact was still relatively new and since it had not been implemented, they could not provide any 'live' examples. One respondent argued that mainstreaming would be a challenge as parts of the Compact have been developed by different people. However, there were some examples where personnel and human resources departments were developing training on the Compact and this training was likely to raise awareness across the board.

Box 4.4:   *Mainstreaming the Compact*

In one northern city, the lead officer came into post just after the launch of the Compact in 2000, with a clear remit to develop it. This is seen as a permanent remit and 40-50 per cent of the officer's time is dedicated to the Compact. There are three codes of practice and a disputes panel with disputes procedures.

Information about the Compact is included in induction packs for new staff and in the Managers' Training Programme. An event on partnership working in the summer will give the key stakeholders the opportunity to review the Compact.

Information to local VCOs was usually disseminated by the CVS, voluntary sector forum or – more rarely – regional network, because they had better systems of communication with the sector than statutory bodies. Sometimes the local authority provided support for this.

However, members of one regional network criticised government for not allowing them a relatively few free copies of the national Compact which increased the cost to them of disseminating information about the Compact. Also, as a BME respondent remarked:

Simply producing a leaflet doesn't get to them. You need workshops and seminars across the region. You also need this for agencies or you could even bring them together. Otherwise you create this sort of isolation: one for the VCS, one for government officials.

Several of the more local organisations interviewed knew little about either the national or, if they had one, their local Compact and this was confirmed by at least one of the regional networks. Most people agreed that larger voluntary organisations, intermediary bodies and government-funded organisations would be most likely to know about the local Compact. However, the branches of a number of national organisations interviewed also knew surprisingly little. Some felt the Compact was mainly for funded organisations or for health and social care organisations. It was difficult, for example, to find a sports or arts organisation that knew about the Compact although this may be as much a reflection on the membership of the NCVO and local councils for voluntary service through which many respondents were recruited. Several organisations had not had time to get involved, because of all the other demands that partnerships made on them. They commented on the fact that their time was rarely paid for. Some VCS umbrella organisations had made determined efforts to circulate Compact information widely. One had sent it to 900 local organisations, organised a roadshow and developed a new action plan. However, even here, BME groups, who had felt marginal to its development, were still, partly because of internal disputes, relatively unaware of the Compact. This umbrella organisation is now considering the use of the intranet to promote it. There may, in any case, be some messages here for the NCVO and the Compact Working Group Secretariat on the need for wider promotion of the Compact beyond the 'usual suspects'.

Most agreed that there was still much to do to spread awareness into smaller and BME organisations, which – confirming evidence from an earlier study (JRF 2002) – are often suspicious of the Compact or do not feel it has any relevance to them. For many BME groups, there was an issue of capacity: they were often heavily involved in service provision; often relied on volunteers; and were often used inappropriately to field any queries about BME communities as a whole. Few BME groups had the resources to attend meetings, especially in areas with a lower than average BME population or in minority ethnic communities which were themselves not organised. Outside the cities, the BME sector was fragmented and, in many places, its infrastructure fragile and overstretched, with a high turnover of personnel and organisations. Additionally, where BME groups were unfamiliar

with the complex structures which Compacts sometimes generated, they found it difficult to engage, problems which several BME respondents described as forms of 'institutional racism'. There is also a major task to be undertaken by the mainstream VCS itself to build links with the BME sector. This will need to be set within a wider understanding both of the structural marginalisation of minority organisations and of the fact that, for a variety of reasons (and sometimes as a response to this marginalisation) some BME groups choose to pursue their own interests separately from the mainstream.

A number of respondents said that the name 'Compact' did not help. Even where smaller or more marginalised organisations received mailings from their councils for voluntary service, the Compact had failed to register on their mental map and there was some confusion with the tenants' Compact – a rather different kind of agreement. There clearly remains a major task to be done to convince these smaller organisations of the value of the Compact and to find ways of engaging them. And the same issues about lack of capacity apply to smaller community-based groups as to BME groups. Respondents argued that the VCS itself had to take responsibility for more effective engagement of smaller and marginalised groups in the Compact process; this might mean that umbrella groups needed to develop their outreach work more substantially. But some questioned how far smaller organisations would ever be interested in engaging in strategic, medium or long-term issues. As long as they were aware of the Compact and how they could use it, this might be all that could be expected.

In the more rural areas covered in the case study work, the specific dimension of rurality – and the difficulties associated with it – was mentioned several times. Compact development appears less well-advanced in rural areas than in urban areas, although the evidence here is not absolutely representative. In part this was a reflection of the less sophisticated relationships between statutory and voluntary sectors: one rural county was described as still maintaining a very paternalistic relationship with the voluntary sector and this is reflected in the profile of the VCS in this area where more than 40 per cent of the organisations are still managed by volunteers alone. Here, the relatively few organisations which had driven the Compact process along over three years would have appreciated support from central or regional government, or indeed, the sector itself through the Compact Working Group.

The slower progress in these areas was also a reflection of the fact that VCS groups in rural areas – and particularly the smaller ones and those representing BME groups – had very few resources for meetings (one meeting might, in some areas, involve a whole day's work), transport and volunteers were at a premium, and networking was difficult. Where it was difficult for organisations to get to frequent meetings, local umbrella groups or development workers had to be creative about ways of consulting with geographically

distant groups to try to encourage wider ownership as the Compact process unfolded. Given that VCS infrastructure tended to be less well-developed in rural than in urban areas, anything that appeared to be an add-on to existing pressing tasks was often left to one side. The position of BME groups in rural areas was even more acute: the few BME groups which existed felt burdened with the inappropriate responsibility of representing all minority communities' interests.

Implementation and monitoring

As more and more Compacts are signed, it is becoming clear that attention needs to shift towards implementation and review. Respondents wanted more guidance on how to keep the momentum going once a Compact was launched:

How do you make it a living document, once it's signed?

The Compacts that had been signed ranged from a relatively small number where there was a fully fledged document with codes of practice, an action plan, monitoring and review mechanisms set up etc. to one Compact that was a page long. Most local Compacts were still at an early stage with respect to implementation and one respondent's view – that the local Compact was 'too many broad principles without an action plan' was echoed by several more. One regional network suggested that Compacts were mainly very broad and impractical – it was the codes that brought them down to earth.

Box 4.5:   Developing codes of practice

In one London Borough, a Compact was signed in summer 2001, and involves the IA, the health authority and the PCG (now the PCT) on the statutory side. Health organisations have been actively involved, with documents referred to the PCT which has involved groups they are in touch with in the consultation process. The IA is now trying to get the LSC involved, and the community safety team (which includes the police) has been involved in consultations. VCOs have signed up individually and a range of organisations have been involved in the steering group. Council members are fully involved throughout and the leader attends the launches of the Compact and codes.

The codes are being developed in line with the national Compact and two are developed per year according to priorities defined by the VCS. Questionnaires are sent out to all organisations on the Voluntary Organisations Forum mailing list and to all statutory

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bodies working with the VCS and face to face contact is being made with BME groups. These are used as the basis for a first draft which goes to a consultation meeting, using small groups to ensure a full discussion. A redraft is then put out to further consultation and checked with the Older People's Reading Group for accessibility in terms of language and typeface. The original Compact did not have an action plan but the codes do. There will be an annual review and there is a complaints process.

Where review processes were in place, most had set up a steering/monitoring review group which would meet regularly to look at progress and implementation in broad terms and issue annual reports, and there was usually provision for an annual review. However, one respondent still suggested that it was difficult to monitor Compact implementation when so many goalposts were still shifting. In a number of areas where Compacts had been in place for some time they were going through a process of revision. In one of the case study areas, for example, where a Compact signed in 1999 had lost momentum following the departure of a key voluntary sector champion, the Implementation Group has drafted a new action plan to kick-start the Compact again and a consultation code of practice is being drafted. Elsewhere, the Compact was being redrafted to bring new signatories on board.

Box 4.6:   Relaunching the Compact

Sometimes, when the original Compact has not been spread widely enough or has lost momentum, those involved decide that the best way forward is to revise and relaunch the Compact. Three examples follow:

The CVS in the first area discussed a Compact with the County Social Services Department before the national Compact was launched and they rejigged it to fit in with national policy. But there was limited interest from the district councils or other public bodies and a new Compact was developed which includes PCTs and districts. This was launched in early 2003 at a voluntary sector event. The Compact is a standing item on the county council's internal group of officers working with the VCS. The Compact is also mentioned in the corporate plan and best value performance plan.

In the second area – a unitary authority – the Compact was signed with ten public sector signatories and had a high profile launch in Spring 2001. Three codes of practice were developed and accepted in principle: funding, information and communication, and consultation. There is a regular forum between the VCS and public sector bodies (mainly the PCT and the IA).

The process took a back seat with the development of the ISP and then by a major grants round, but a year on has been picked up again and updated, along with the codes of practice. Neither the IA nor the VCS was happy with the first version. The second version was completed and, at the time of the interview was going through the process of getting agreement from the signatories. The need to get commitments again was due to major reorganisations in the health sector and the police and the need to get it through the ISP. Also, the original key players have moved on and there is a need to get new people on board. Two new codes of practice have been added – on Monitoring and Evaluation of Service Delivery and on Working in Partnership. There was much more clarity about what things meant. A launch was being planned in the summer and then a programme of information and training was planned, which would include Council staff and members. Support is being provided by the Council's Voluntary Sector Unit.

In a third unitary authority, which initially launched its Compact in Spring 2000, the Compact is being reviewed in order to develop codes of practice and to enable a wider range of players to sign up. A draft was circulating at the time of interview with the hope that it would be launched within a few months. This has involved widespread consultation, with a working party of four officers and four members from the Council and four or five VCS representatives, including the Ethnic Minority Forum which has been established since the first Compact was signed. Someone from an unfunded VCO who knew about the process and had attended workshops was also interviewed. The action plan commits the signatories to developing codes of practice. There are lead officers in each directorate and a lot of interest and awareness in key directorates; the Compact is meat and drink to them. There are no dedicated resources as yet but the regional VCS network has been supportive. The intention is to have an Overview and Scrutiny Committee and to use the Compact in the Community Planning process:

Many in the VCS do not understand the constraints and responsibilities that the LA are under and the LA have had difficulty responding to their needs – the Compact has enabled them to learn about each other.

See also Appendix 3: case study 6

Unless signed Compacts are translated into action plans and codes of practice, monitoring presents a real challenge. There was little evidence of systematic monitoring and, as one VCO put it: '*the easiest things to measure aren't the things that make a difference really*'. This issue is discussed in Appendix 4. However, some people felt monitoring was easier once codes were in place.

Public bodies beyond the local authority

Most of the Compacts were solely with the local authority, but in an increasing number of areas, PCTs and NHS Trusts were beginning to develop them (most recently prompted by the arrival of a circular from the Department of Health encouraging them to do so). At least 12 agreed Compacts had health bodies signed up and eight more had involved them in developments, while others spoke of health bodies 'showing an interest'. In two places Compacts were either being developed separately or were already in place as a separate initiative. However the involvement of health had been complicated by the most recent NHS structural reorganisation – in one case, for example, there were disputes about commitments made by a predecessor body, while in another case, a previous commitment was unravelled. More generally, respondents pointed out that the first priority for PCTs was to establish their new organisations. Where there was interest as a result, for example, of the recent DH circular, there was some concern that PCTs might sign up with very little understanding of the meaning of the Compact. Joining the journey some way along the line like this would short circuit the 'long slog' of the process which the original partners had gone through and the understanding and trust that this had built. This of course is an issue not just for NHS organisations but for all late signatories to local Compacts.

Some areas had a range of public sector signatories and, in one area, a Compact that had been in place for some time had been replaced by a more recent version to bring in other partners. The police and learning and skills councils were signed up to a growing number of Compacts and other signatories in different places included New Deal for Communities initiatives, the Connexions Service, the Probation Service and even the Fire Service. In a few areas, GOs and regional development agencies were also signatories. However, the level of involvement that these other partners had in the development process was often very limited. In one case study area, for example, the comment was made that the police 'had more important things to do'. It was also clear from the more detailed examination possible through Phase Two case study work that LSCs had had very little real involvement in the process and that this is a task remaining to be pursued, presumably by the DfES. Usually the CVS (or RCC in rural areas) signed up to the Compact on behalf of the VCS, but in one authority, each VCO had to sign up.

In a growing number of cases, Compact work was being either accelerated or superseded by the local strategic partnership or a similar cross-cutting partnership, and a small minority were developing through the LSP. Elsewhere there were plans, or hopes, that the LSP would eventually take the Compact over. One respondent argued that the LSP had 'more teeth, was monitored and accredited and had more resources'. Some respondents said that if LSPs

had been in place at the outset, the Compact would have been developed through that mechanism. In one locality, the existence of a Compact had actually helped the ISP to develop. It was able to get on with its business, because a framework of relationships had already been established through the Compact.

In many areas, however, ISPs were themselves still at an early stage and though it was felt that the ISP would link strongly with the Compact, the ways in which it would do so had yet to be defined. Also, there were some problems getting all partners signed up. In one case study area the delay in ISP endorsement was attributed to the fact that health partners, who were target signatories, were facing great difficulties in readjusting to their new role and status. Indeed, despite the above comment, a number of respondents questioned how far ISPs themselves would have any real teeth or be able to deliver a real commitment from all partners. Nonetheless, in another area, the local authority officer working on the Compact had become the Chief Officer of the ISP and discussions are being held here to draft a Partnership document which encompasses the values and principles of the Compact (yet another reflection of the importance of key individuals); in yet another the development of a Compact between the local authority and the VCS had been abandoned in favour of the development of a Compact with the equivalent of an ISP.

Impact

There was wide variation in views as to whether the Compact had made a difference. Even though it is now nearly five years since the national Compact was launched, most respondents felt that it was early to judge. It was also difficult to attribute change to the Compact in a policy climate where relationships between the sectors were changing anyway (for example, people cited the introduction of ISPs, the report of the Stephen Lawrence enquiry, the more general emphasis on partnerships, HM Treasury's Cross-Cutting Review and a range of other initiatives as potentially positive drivers). So some respondents felt that, yes, there had been a lot of change, but it would have happened anyway, while others felt that the Compact and its codes were essentially codifying practice that was already up and running. Still others felt that its impact was never likely to beat the forefront of their day-to-day work.

The impact is likely to be quite long-term and low-key. It won't make an impact overnight because it is a way of working rather than a policy and because there is still quite a lot of work to do raising the profile.

(local authority respondent)

A number of respondents commented that the process was slow and that the Compact had not been mainstreamed as quickly as it should have been. Where the relationship with the local authority was difficult, there was scepticism and a fear that it would be a token gesture. In some areas, major funding cuts had followed the agreement of a Compact or disrupted its development, leading to considerable cynicism. There was also a lot of dissatisfaction with consultation timescales and citing the Compact did not seem to have made much difference to that. In one locality, council members felt the 12-week period was unrealistic and failed to take account of timescales imposed by government agencies. Elsewhere central government deadlines made it impossible for local authorities to comply.

There were a limited number of examples where the Compact had been cited in response to a perceived breach, and fewer where this had resulted in change. Nonetheless such examples did exist. In one area, a local club used it to maintain its funding for another year after being threatened with a grant cut.

Staff at the club pointed out that they had not been consulted as outlined in the Compact and their grant was maintained. In another the consultation and funding codes of practice helped the VCS to change local authority practice in relation to accounting and their deadlines for consultation. As in the previous study, it was found that some lead officers in local authorities wanted to see the VCS using the Compact to make complaints, to show that it was working.

Many respondents thought that the Compact was seen as a positive development. It had opened up channels of communication and given the VCS a higher profile. Several examples were given where the Compact had been used to change practice and generally the respondents stated that they would be willing to use the Compact to make a complaint. As has been seen, Compacts were more likely to get off the ground where there was already a track record of good relationships, but even in these circumstances Compacts were still said to have improved clarity about roles and responsibilities and spreading mutual understanding and good practice. They helped to bring VCOs onto an equal footing. They had encouraged on both sides a 'solution-oriented' approach:

> *The Compact helps us to talk out a problem and find a solution, rather than the old adversarial stances taken by the local authority and VCS previously.*
>
> (lVCS respondent)

In one county where the county council had a poor reputation, the VCS champion felt that its involvement in the Compact initiative had redeemed its reputation and upped its 'score'

from two to three with the prospect of reaching four. Nevertheless, even where relationships were good, (people scoring them at about 3 out of 5), many respondents were still hard-pressed to identify how Compact development had substantially affected local relationships. Where relationships had improved, it was not attributed to the Compact but to a wider picture of increased, and better quality, engagement at the local level.

Respondents also questioned whether the Compact had altered the power balance locally. They argued that the Compact needed to be tested on important issues before it could be said to work. Information about the Advocacy Service – managed through the NCVO with a brief to help complainants resolve difficulties about national Compact implementation – was also patchy. There were doubts as to whether the service would meet local needs and one respondent argued that the Compact should be seen as the vehicle to develop improved understanding locally, even if this occurred through a contested process. In two Compacts, there were plans to involve a local mediation organisation. GOs were not generally seen as mediators and indeed seemed marginal to the concerns and experience of most local authorities and VCOs in relation to Compacts.

Finally, most of those interviewed agreed that the Compact fitted very well into the community, regeneration and social exclusion agendas. But pressure on resources, both in the local authority and the VCS meant that links were often not made between the different agendas and the Compact was not providing the kind of framework for these initiatives that it could do. Indeed, progress was often halted while these more immediate policy imperatives were tackled.

In summary, across the local governance arena, the number of local Compacts continues to grow, though still a significant minority do not have a Compact and are not planning one, whilst some are taking a long time to develop. The level of development of codes is also relatively low. There is a huge variation between localities in terms of degree of development. Overall, this research suggests that slightly less than half of the areas looked at in Phases One and Two were operating a live and well-rounded Compact and this is likely to be an overestimate of the real position on the ground because of the bias built into the methodology. Compacts are most likely where there is a track record of good relationships, but are still felt in those areas to add value in increasing understanding and clarifying relationships. But many found it difficult to say as yet what impact the Compact was having, given the range of other local initiatives that affect relationships between the sectors. Other local public bodies are developing Compacts in some areas although their engagement is very limited at present: health bodies are most active (from a low starting level); the police, Probation Service and LSCs have all engaged in a very few areas. In two-tier areas, engagement of district councils is patchy and the extent to which there is a fit

between the two tiers is variable, but there is little evidence of engagement as yet with parish or town councils. In a number of areas, the LSP is increasingly seen as the most appropriate focus for Compact development.

Box 4.7:   A clear strategy for action

In one northern city, the Compact was agreed by cabinet in January 2001 and published in April 2001. The Compact is a portfolio responsibility of the leader of the council. The lead officer estimates that he spends 50-75 per cent of his time on the Compact and £10,000 a year has been put aside to support this work. At the time of the interview early this year, there was a funding code of practice in place, a procedure for resolving disagreements and a procedure for annually reviewing the Compact. A voluntary sector liaison group had also been set up at officer level to ensure that information is disseminated.

A joint review group met for the first time in November 2002 and agreed an action plan whose priorities were:

● to agree the consultation code of practice
● to ensure that the current grant application round was compliant with the Compact
● to consult on a new set of grant-aid terms and conditions
● to ensure that the procedure for resolving disagreements was monitored
● to ensure ongoing communication to raise the profile of the VCS through the council's magazine and to develop web pages
● to explore the possibility of setting up a volunteer bureau
● to explore the possibility of developing a code of practice that would address the involvement of members and officers to improve communication.

There is reference to the Compact in the Community Strategy and there are cross-over targets between the Compact and the Strategy. The lead officer is in discussion with the PCT who are considering adopting the IA Compact.

Issues raised by the respondent included the difficulties of getting agreement through a big organisation like the council and, at the same time, through lots of small VCOs. Also, although Compact development is in his work programme, it is not part of his job description and there is no long-term guarantee of resources.

5. Do we need a Compact and what gets in the way?

What can Compacts do?

When the Compact process was launched, there was a widespread assumption that it represented a 'good idea'. Although, six years on, this is still a common assumption, and there are many instances where local organisations working in partnership through Compact arrangements have produced positive impacts for local communities, this research, nevertheless, identified scepticism in some quarters about its benefits. For those working in areas where inter-sectoral relationships are generally felt to be good, the Compact seems to the sceptic to offer little added value set against the considerable time and effort expended to construct it. For those working in areas where relationships are, or have been, bad, the Compact appears too weak an instrument – with no statutory foundation (although often considerable political underpinning) – to require a change in the quality of relationships. It is most likely to be adopted, its critics say, where it is least needed. Sceptics also question whether it has changed the existing power balance in any way or whether it was just about government bodies 'ticking the box'.

Despite this vein of scepticism, a balanced view of Compacts emerging from this research would be that Compacts can make a difference – but that they should not be endowed with unrealistic ambitions or expectations. Participants in this research identified a number of strengths that Compacts can potentially bring to the local governance arena.

First, of course, perhaps the most concrete benefit is that Compacts have made a difference to the 'life chances' of specific organisations. The Compact, backed up by a series of codes, has been used to protect organisations at national level. One recent example was a dispute between NVCO and the Department of Media, Culture and Sport when the latter announced, without making use of Compact provisions for consultation, changes in the way the National Lottery was to be run. Another less well-known one was the requirement placed on the Children and Young People's Unit to revise funding guidelines on childcare costs. It has also been used at local level, for example, to reinstate funding, to require effective consultation (e.g. getting more time to consult on patient forums in one locality), and delaying decisions or revising plans (such as requiring a longer period for the development of a region's social inclusion plan). Those supporting Compacts argue that if a quasi-contractual document such as the Compact did not exist, relatively freely entered into by both parties, these gains could not have been won.

Box 5.1:   The benefits of a Compact

The Compact in this metropolitan authority was signed in 2001 and has sections on values, principles and undertakings, and on communication and consultation, funding and premises. The Compact Steering Group is chaired by the person in the cabinet with responsibility for social inclusion.

The recent community sector grant report to the council has a section referring to the Compact, its relevance, and how its spirit and guidelines have informed the grant and consultation process. The Compact provided a spur to people in the premises team to put in place or formalise and maintain mechanisms for consulting and developing programmes of work with VCS premises management organisations across the authority. One action plan objective was a working party on health and safety and a working party is in place for this. Here, 'the spirit embodied in the Compact helped us to proceed more quickly and effectively than would have happened otherwise'. The Compact development process generated an 'abiding spirit of co-operation and recognition of resourcing problems' and people have been very tolerant and understanding. The trusting relationships developed in that process mean that the council has not been 'hammered' so much as it might have been given current difficulties.

Secondly, the Compact process has led to a higher profile for the voluntary and community sector in many areas. Mapping work has given partners a greater sense of what the sector is contributing, and the need to draw in other partners has spread good working relationships further afield. The Compact has been particularly helpful perhaps in those areas where there remains, by the standards of the mainstream, a rather old-fashioned conception of the contribution of the VCS to local policy development, one which sees the sector as being staffed largely by volunteers or simply as a means of filling gaps in services. It has also been particularly helpful in raising the profile of the 'community' part of the VCS and in some areas, in promoting equalities.

Compact development has also led in some cases to a stronger sense of identity within the VCS. In one of the case study areas, respondents felt that embarking on Compact development had pulled the sector together (although in some others it has exposed differences). There are also some examples where Compact development has encouraged links between the mainstream VCS and more marginalised groups as a result of the consultative processes which the Compact requires umbrella groups to mount. Compact development has also raised equalities up the VCS agenda in those areas where this has been written in as a VCS commitment.

Thirdly, Compact development has strengthened partnership working. Evidence from a wide range of research suggests that partnership working is most effective where partners are

clear about their respective roles (and also where power is not used inappropriately by more powerful partners). Compact development has provided a clear focus for debates about the role of the VCS in particular, but also about the respective roles of all those engaged in the local governance arena. It has required partners to be clear about their roles and responsibilities and to understand the distinctiveness of each other's contribution. This has been important at a time when the growth of partnership working has blurred boundaries both for individuals (Wilkinson and Craig 2002) and for sectors as a whole (Craig and Taylor 2002). Representatives of the VCS themselves have also been obliged to think more strategically and to have longer-term perspectives.

The process of interaction between the sectors that Compact development requires can also lead to a deepening understanding of the potential and the constraints which characterise each sector. Whilst respondents were clear about where their loyalties lay, particularly in disputes, they were also able to acknowledge that it was easier now to see situations from the perspective of the other party or parties to the Compact and understand their organisational cultures – the solution-oriented approach referred to in Chapter 4.

> *It is less threatening because it focuses on specific areas in a positive way, not because something has gone wrong and it's therefore less threatening to all sectors.*
>
> (IVCS respondent)

Face to face relationships could help to build trust and this in turn could lead to fewer conflicts based on misunderstanding and a stronger possibility of negotiated settlements. As one respondent put it:

> *People know who to talk to and how to sort out knotty issues.*
>
> (IVCS respondent)

At the same time, work on, for example, the detailed codes of practice has sometimes led to some important spin-offs in terms of developing ideas further (for example in terms of equal opportunities), and the generally increased level of interaction has brought the VCS more into policy development work and political engagement. What is also important is that Compacts can help to ensure that partnerships are between organisations or sectors and not between personalities. In the past, 'cosy' relationships between sectors have often determined a range of important policy and funding decisions; Compact development can make this process more transparent, although there is still some way to go in spreading Compact awareness beyond those most involved.

A fourth potential benefit of Compacts – especially in areas where partnership still has a long way to go – is that they can provide a structure for dealing with messy relationships. This moves disputes and crises away from personalities and towards structural considerations. This can be important in seeing beyond the superficial reasons for difficulties and understanding the underlying structural factors which may have generated them. The national advocacy service developed by NCVO and the independent Compact Mediation Scheme could each play an important role here, particularly if their experience is widely disseminated.

Box 5.2:   A silver lining?

On the face of it, experience in this metropolitan authority where the Compact was signed in 1999 is not too encouraging. The local VCS was struggling to survive – the respondent said it was 'on its knees', and with the council looking for savings, smaller organisations were particularly threatened. There were particular problems with premises. The Compact had also been signed by the PCG as it then was, but the changeover to the PCT brought in new personnel who were reluctant to take it on board and to contribute their part of the Compact development officer (CDO) post, based at the local CVS (this is a story that is repeated in a number of other areas following the reorganisation in the NHS).

Although this paints a fairly gloomy picture with nothing much happening since the Compact was signed, there were positive signs. There was a steering group of 8 representatives – 4 from the VCS (including two from the new Community Empowerment Network), a local authority office and councillor and two from the PCT. A meeting was planned with the PCT to look at the way forward and the PCT had committed funding for the CDO post for a year. The Compact had helped to raise awareness of the BME sector. Compact champions had been appointed within local authority departments and meetings were planned with senior managers.

Researchers were told that relationships between the sectors had been poor, but that while the Compact had not solved the problem, 'it was forcing people to have the discussion'. While it had 'highlighted what was wrong with the relationship, at least there was dialogue now'. The respondent felt, however, that central government civil servants had unrealistic expectations and did not appreciate the difficulties that people had with the Compact – particularly small groups.

A fifth benefit of Compact development is that it can be, as the earlier discussion of metaphors suggested, a lever for institutional change. The process of engaging with other partners within a framework of values and principles often requires organisations to rethink their own structures and practices; in part this comes about as a result of having to see oneself as others see you, and to have other perspectives applied to your ways of working. This, again, does not mean losing sight of the boundaries of each organisation or sector but redrawing them in a way which makes engagement more effective.

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Finally, Compact development, as a result of all these processes, can strengthen participation. Insofar as more people, more organisations, and more of those on the fringes of the policy and service arena can be drawn into the process of Compact development and insofar as the experience is a positive one, then they can be encouraged to engage in other important local policy initiatives. New connections can be built across the sectors. Participation in Compact development, handled well, can improve the quality of participation by creating a more level playing field, offering political space to organisations which had not hitherto been effectively engaged in sectoral or inter-sectoral policy discussions. It can also strengthen leadership. Compact development has required champions in both sectors to demonstrate clear lines of accountability back to their own constituency, and to ensure that ownership is dispersed throughout that constituency. Although there is still some way to go in spreading ownership throughout the sectors, Compact development has raised awareness of the need for accountability and communication beyond lone champions.

What gets in the way?

If this is the potential, respondents were quick to point out the many barriers to achieving a model of good practice in Compact development. Some of these barriers related to the setting in which the Compact was being developed; others related to the nature of the Compact itself. The most significant of these are listed below:

External factors
The policy environment
- a very crowded policy agenda with an array of new initiatives, means that all parties have many demands on their time – the Compact is easily sidelined by more immediate and tangible imperatives. Unlike many of these, it does not bring with it additional funding or staffing and has no sanctions attached. This means it rarely provides the kind of framework for these other initiatives that it could do.

The political environment
- a heritage of mistrust so deep that Compact development either could not bridge firmly-established divides or took up disproportionate amounts of time and energy;
- political hostility or, conversely, a lack of political commitment and direction; and
- unevenness in commitment – or political rivalries between partners which undermined the energy and commitment of the more active ones.

Divisions within the VCS

- fragmentation within the voluntary and community sectors;
- failure to engage effectively with more marginalised groups so that the Compact became seen as the instrument for protecting the interests of the relatively powerful; and
- a perception on the part of some groups that the Compact was primarily concerned with health and social care, with funding issues and with mainstream organisations sometimes meant that they could not see its relevance to them; smaller organisations and BME organisations were particularly unlikely to invest time and energy in it.

Lack of leadership

- a lack of resources or energy, often in the context of overwhelming demands on time to deal with these other initiatives, and usually linked to a very narrow leadership base i.e. no or few champions, few resources (human or financial), and a fragile or fragmented constituency; and
- a lack of continuity, with organisational change, champions leaving and not being replaced, or being replaced by people with relatively little knowledge, thus undermining the sustainability of previous developmental work.

Intrinsic factors

No teeth

- the difficulty inherent in defining the goal or outcome of the Compact in very concrete ways;
- failure to monitor or evaluate the development effectively so that no sense emerged of a clear added value arising from the Compact; and
- an unwillingness to use the Compact or codes of practice effectively and appropriately to challenge bad practice.

Lowest common denominator

- a focus on consensus sometimes meant that the Compact ended up as a lowest common denominator rather than an aspiration for best practice; and
- working to a consensual framework was important in getting widespread engagement, but there was a risk that some partners would lose patience if this took too long.

Sustainability
- an assumption that the creation of a Compact represented the major goal of the process, rather than seeing it as a stepping stone towards a more wide-ranging outcome.

Moving forward

The development and implementation of Compacts is moving forward at all levels but is slower than expected. The research suggested a number of lessons which need to be taken on board if Compacts are to achieve the change in relationships that their advocates hope for:

Promoting Compact development
Pace of development
Local Compacts sometimes take two to three years to develop. Requiring all organisations to sign up to Compacts within a tightly defined timetable may be counter-productive where conditions are not right in particular localities for this to happen. It is clearly important that local actors should determine the pace at which development takes place. No one size fits all and appropriate timing are crucial, both in terms of when to embark on Compact development and the time that should be allowed to reach agreement. However, it is important to balance the need for time with the need to maintain interest on all sides.

Incentives
The point was often made that there were no effective sanctions and thus, where trust was absent, Compacts were vulnerable. This also meant that some public bodies did not take it seriously. The Compact, as has been observed, is in many respects countercultural in today's climate of centrally driven performance management and targets. While some were critical of this, others welcomed this reliance on 'trust' rather than 'contract' (Craig *et al.* 2001). But to rely on trust makes political leadership and effective champions vital.

There was also an issue about 'what's in it for us', especially if public sector partners were to engage with enthusiasm. A clear recognition has emerged in this study both of the responsibilities of the VCS and the need to meet these in a timely and transparent fashion. But there was considerably less emphasis in this study on VCS obligations, except perhaps in relation to equalities. It may be that a more even balance of obligations would paradoxically create a more even balance of power. But these would have to be obligations freely entered into; there was concern that some statutory bodies simply saw the Compact as a way of getting the VCS to do their bidding.

Bringing other partners on board

Compacts are still overwhelmingly bilateral agreements between the VCS and the local authority. However, primary care trusts have now also been enjoined by the Department of Health to sign up to local Compacts. As long as local PCTs can determine the pace and form of their engagement, this leadership from the centre is welcome. It is important, however, that short timescales for compliance do not encourage them simply to 'tick the box' and move on. Some funding streams to local PCTs or to local Compact champions to facilitate effective mutual learning, for example through workshops or conferences, might help to bring them up to speed as full partners. In a few areas, respondents reported that the police, Probation Service, and/ or learning and skills councils had become engaged but this was a picture of very limited engagement indeed. There is clearly a major task to include these other local policy and service actors; but the way that they are involved needs to draw on the much longer and tested experience of the organisations which have led Compact development in local areas.

Even within the local authority sphere there is still variable engagement. Two-tier authorities have embarked on a number of different models and it will be important to continue to monitor how these work out in practice. The future of Compacts may well lie in the LSP and similar partnerships, which can encompass the range of local actors as part of a broader process of relationship building. However, this will depend on the make-up of the LSP, its centrality in terms of the local governance arena and the commitment of different agencies to it.

Leadership and resources

Leadership

Compact development and implementation depends very much on individual commitment, in government departments, GOs, local authorities and the VCS. Respondents referred to lack of direction from Ministers and senior managers in some central government departments and a lack of clarity about GO roles. Locally, it was often not clear whose responsibility Compact development was. But several respondents were disappointed that the lead given in earlier years by the Local Government Association (LGA) had faltered and the fact that the LGA is now engaging more actively with the Compact again is welcomed. Respondents also commented on the failure of government departments to observe Compact principles. This has a domino effect, making it impossible to comply with Compact principles locally.

The role of Compact champions at different levels has been shown by this, and earlier research, to be a key factor in maintaining momentum in Compact development and

implementation. Effective champions, with clear lines of accountability back to their own constituency, can also ensure that ownership is dispersed throughout the constituencies. However, this research has also shown how crucial it is to ensure that Compact champions are supported by others with an interest in encouraging the process, so that they are not isolated, and so that they can both advocate the Compact effectively within their constituencies and ensure their constituencies interests are represented in Compact negotiations.

Resources

It is an old tale but there is no escaping the fact that resources are critical to the success of Compact work. The major objective of the Treasury-sponsored review of the voluntary and community sector in service delivery (HMT 2002) was to explore how central and local government can work more effectively with the sector to deliver high quality services, so that where the sector wishes to engage in service delivery it is able to do so effectively. This report indicates a range of ways in which this support from central and local government can be given. However, the review also demonstrates the need to build the capacity of the VCS so that its organisations can engage more effectively not only with central and local government but also with their users and wider constituencies, including through the Compact process. The Treasury review includes recommendations on how to strengthen the status of the Compact and to encourage its spread, and in the wake of that report the Active Community Unit is developing a capacity building and infrastructure strategy. This may improve matters within the VCS. However, all respondents reported the lack of resources and lack of capacity at all levels, most critically, Compact responsibilities in public sector partners are usually tagged onto someone else's job. Even where this is an appropriate location of responsibility – these 'champions' were often those most associated with the sector - it is essential that champions have the resources and high level support to work effectively.

Implementing Compacts

Monitoring and review

Many respondents commented on the value of the process of agreeing a Compact. But there was a danger that, once signed, the Compact would take a back seat. A number of respondents felt that they needed more guidance on how to take the Compact forward once the document was signed and the fate of those longer-term Compacts where momentum has been lost over the past two to three years, points to the need for more attention to be paid at all levels to action planning, review and implementation. In some authorities there are good mechanisms for monitoring and review, but these need to be spread more widely and given teeth. The framework for monitoring and evaluation outlined above will hopefully provide

the means for this to happen and, as noted in the introductory chapter, a research team is now working on developing this framework further, including the production of a toolkit.

Coverage

Smaller VCOs and many BME groups do not see the Compact as relevant or tangible and are rarely involved to any significant extent. Sometimes this reflects a lack of opportunities for involvement, sometimes suspicion and sometimes the fragmentation and under-resourcing of the BME sector. Most local authorities use the CVS for consultation; there were few areas which had systematic BME involvement or even mapping, except in the areas with a high BME population. BME involvement was thus often very *ad hoc* and involved individuals rather than organisations. Mapping BME communities, using both the 2001 census and regional and local VCS databases, is an urgent priority for most areas but this mapping also has to recognise that many smaller groups may not be represented in formal databases and can be contacted only through local networking.

Learning

Finally, officers who were in the process of developing a Compact were particularly keen to find out how other areas were doing. There were calls for joint conferences to share experiences. The two workshops which were run by the research team were regarded as a very useful way for Compact champions to exchange ideas, and there was considerable enthusiasm for regionally-based conferences and workshops in particular. Participants felt that this was something the Compact Working Group should have been doing through NCVO, which was felt to have had a relatively weak impact outside London. There was less enthusiasm for the suggestion that GOs should lead in this, as they were seen as needing to learn rather than being able to lead Compact development. However, in the longer-term, GOs should have a more central role, in association with the VCS regional networks, a few of which have already made an important contribution.

Recommendations:

● Compact development should continue to be promoted across all public bodies and services. Local Strategic Partnerships can play an important role in this and consideration can be given locally as to whether the LSP is the appropriate body to incorporate responsibility for Compact development. Compact implementation needs also to be actively promoted across all central government departments.

- The role of Government Offices for the Regions in promoting Compact development, implementation and learning should be clarified and strengthened.

- Dedicated resources should be made available to support Compact development, implementation and review at all levels to ensure effective working between the sectors. Designating and supporting 'champions' at all levels is particularly important but these champions should not end up being isolated as the only people pressing for compact development.

- 'Compact-proofing' should be routinely built into local authority scrutiny procedures and new central government policies and initiatives.

- Compact implementation should be ensured through regular reviews at local as well as at national level. It is important to ensure that a signed Compact is a live Compact, not just a piece of paper. GOs and regional VCS networks could play a facilitating role in this respect. A monitoring and evaluation framework may be particularly helpful here, especially in terms of support for those organisations concerned – in the light of greater engagement with the public sector – about their own autonomy and operational survival.

- Greater efforts should be made by both sectors to ensure that Compact development meets the needs of black and minority ethnic groups, rural groups and smaller community-based groups. While the relevant codes of practice provide a good foundation, more needs to be done to ensure these are embedded and understood at local level. These groups will not properly be engaged until they understand and see the value of codes of practice to the development of their work.

- More opportunities should be provided to share and disseminate good practice within and between regions and across all policy areas. However, good practice should not become a prescription. Compact development will be most effective if it reflects local circumstances. No one size fits all and appropriate timing are crucial.

Concluding remarks

Over time, if the present policy framework remains in place, there is little doubt that the number of Compacts will spread and, with appropriate support and encouragement from relevant government departments, the width of their reach will grow. Assessing their

effectiveness will become more of a science than an art, despite the rapid way in which relationships between the sectors are changing, and, given a commitment to sharing best practice, Compacts will become more effective in more places. However, this begs questions about where Compacts may sit within what is still a rapidly-changing policy environment.

This report began with the paradox of Compacts and it is here that it will end. In previous research it was suggested that there might come a time when Compacts had done their job of establishing trust and that they were no longer needed. However, hiccups in some of the longer-established Compacts suggest that, even where relationships are strongest, their sustainability cannot be taken for granted. This would suggest that there will always be a need for Compacts as a long-stop.

A second alternative is that they simply wither on the vine, with commitment dying away once Compacts are signed, or as they are superseded by new imperatives and attention moves elsewhere. In this scenario, they may still perhaps be effective in some places where the commitment remains but will neither convert the unconverted nor fundamentally change the balance of power between the sectors.

A third alternative, which sceptics might advance, is that as Compacts spread, the destination of the journey might become less an even-handed agreement between two autonomous sectors and increasingly favour a government agenda, as policy seeks to devolve more and more service delivery to the voluntary sector. For those who see that new agenda as a major opportunity for the sector, the Compact provides a framework through which they can bargain from a position of relative strength, but it will be important to see how relevant the Compact becomes for those who do not wish to go down this path.

Finally, as suggested in previous research (Craig *et al.* 2001), a fourth scenario is that they will grow beyond a negotiation between two sectors and become instead a template for new forms of governance – a set of principles that will preserve the distinctive contributions and independence of each, create new rules of engagement within the public sphere and underpin 'a new configuration of the relationship of government and civil society' (Morison 2000: 119).

Which of these scenarios will emerge will depend partly on the different starting points described at the beginning of Chapter 2 and the different incentives that exist in different geographical and policy areas. It will also depend on continued leadership in all sectors – the ability of champions at all levels from central government downwards, to act as effective change agents, to drive through a development described earlier as countercultural but which is potentially culture changing, and on the resources and authority that are made available to them to do so.

Appendix One: Methodology

The terms of the present study required the research team to explore the impact of the Compact on government/VCS relations and to provide advice on a comprehensive strategy for monitoring and evaluation of Compact-related activities. This was to be done in two phases: Phase One involved a series of telephone surveys with national government departments, with Government Offices, with local authorities and with VCS bodies (including regional networks where appropriate). The regional spread of these Phase One interviews is shown in Appendix Two.

Two respondents in each of the five government departments were interviewed in Phase One, one for each department plus a respondent from a NDPB in Phase Two. the intention was to interview two respondents in each GO, but in three GOs, it only proved possible to identify one respondent knowledgeable about the Compact within the time available. One GO was unable to provide anyone to interview, the officer there commenting that although he had done some rough and ready research, Compacts were having to take a back seat because of other priorities. At the time of the research, as noted earlier, there were unclear expectations as to what role GOs should play in relation to Compact development. In addition, interviews were held with representatives of a further four government departments identified by the Home Office as being of interest to them and one NDPB.

Local authorities in Phase One were selected to provide a representative sample in terms of political control and type of authority and to ensure the inclusion of authorities with and without Compacts. Voluntary and community organisations interviewed included the two regional networks for each region, local intermediary bodies and a range of predominantly local organisations selected to provide a spread of policy areas and to ensure adequate coverage of black and minority ethnic organisations. In the absence of any reliable database of VCOs across the country, a variety of means was used to identify as systematic a sample as possible, and thanks go to the regional VCO networks in most regions for their assistance in this.

It was soon found that there was no robust and comprehensive database of VCOs; the databases held by government departments were incomplete, superficial and inaccurate. Although better information was available from regional voluntary sector networks, these databases were often in the process of being developed and several regional groups felt

unable, despite appropriate assurances, to provide the researchers with their database because of data protection considerations. The database of VCOs held by the NCVO largely represented those organisations which had responded to their Compact monitoring exercises. It was inevitable, therefore, that, relying on snowballing and networking as the research team was obliged to do, there would be an element of bias towards those areas where Compact development was most advanced and that it would prove even more difficult to get an adequate subsample of BME groups.

Phase Two was originally to include further telephone surveys with Primary Care Trusts and learning and skills councils. However, as it was clear from the Phase One surveys that this approach might yield relatively little data for a considerable amount of time invested, it was agreed that Phase Two should consist instead of eight local case studies to provide more in-depth information (including a sense of whether the Compact had reached down below the level of the major players to more local organisations within government or the VCS), to obtain a range of perspectives at local levels, to explore the dynamics of local Compact development, and to take the opportunity to explore some of the questions raised in Phase One at greater length.

Eight case studies, involving a minimum of eight interviews each, were planned. However, one case study had to be abandoned because of difficulties gaining the consent of all parties – this was an area where Compact development had been particularly difficult. The remaining case studies spanned four government regions (East Midlands, West Midlands, Yorkshire and the Humber, and the South West). Interviews typically included the local authority and PCT, other relevant public bodies (such as the LSC and LSP), and VCOs. The latter were selected to include umbrella organisations (where these had not already been interviewed in Phase One) and organisations that might be considered both in and outside the mainstream. In two-tier areas, interviews were normally held with at least one district council. In all of the research, the team made a determined effort to ensure that the views of smaller organisations and those representing black and minority ethnic communities were well-represented. Respondents interviewed in both phases of the study were guaranteed anonymity.

Finally, two workshops were held involving a total of 26 representatives (particularly those with a key interest in developing the Compact: Compact 'champions') from all sectors covered in this research, one in London and one in York. These provided an opportunity to test out the findings, develop ideas about monitoring and evaluation and explore the ways in which the Compact champion role could be supported.

During the course of the study, the research also drew on other local or regional reports, such as the report of a postal survey of local voluntary and community organisations' experience of Compacts undertaken in the South East Region by RAISE, the voluntary sector regional network[5].

5   RAISE has developed a Compact guidance handbook, based on this survey, which is available at www.raise-networks.org.uk

Appendix Two: Telephone surveys

Table 1:	Breakdown of interviews conducted with central government departments and regional offices
National government	15 interviews across 9 central government departments (includes 5 interviews across 4 central government departments and one NDPB carried out in Phase Two)
Regional government	13 interviews across 8 government regions

Table 2:	Breakdown of local authority and VCS interviews in Phase One
Local authorities	70 interviews across 9 government regions
VCOs	88 interviews across 9 government regions (including intermediaries and regional networks)

Table 3: Breakdown of local respondents interviewed in Phase One

Government region	Local authorities	VCOs (incl. intermediaries)
North West	9	8
North East	8	9
Yorkshire and Humberside	6	13
West Midlands	8	5
East Midlands	5	11
South West	9	10
South East	8	8
East of England	9	12
London	8	12
Total	**70**	**88**

Appendix Three: The Phase Two case study areas

Case study 1
Launched in 2003

The impetus for developing a Compact in this unitary authority came from the local authority, the CVS and the BME umbrella organisation in the city. The CVS was given some resources to take the work forward and a number of workshops were held along with a conference to keep the VCS informed on developments. The CVS's policy forum was also used as a forum for Compact discussions within the sector and for consultation. There was top-level commitment from the leader of the council and senior officers. Since the recent Compact launch, a Compact Group has been formed consisting of eight representatives from the VCS and eight from the IA. The VCS representatives are elected and each has a brief in different key areas (e.g. social services and life long learning), including two members of the current cabinet, two scrutiny members, assistant directors and members (still to be nominated following the elections). This group is responsible for overseeing the implementation of the Compact.

Progress was slow, and the reasons for this illustrate many of the points made in the body of this report:

- time, energy and resources within the council have been diverted towards other government priorities.
- The Policy Forum Co-ordinator left and staff changes in the IA have also slowed the process down.
- In the May elections, the ruling Labour Group was ousted and the authority is now 'hung'.

No additional resources have been available for Compact development and the fact that a Compact has been developed is mainly felt to be due to good working relationships. VCS representatives who joined the Compact Working Group admit that their knowledge prior to joining the Group was very limited and they were not clear about the relevance or importance of it. But now they are all enthusiastic and committed.

The ISP had not been involved at the time of the case study, but the new chief officer of the ISP used to be one of the main officers working on the Compact and discussions are now being

held within the LSP to draft a 'Partnership Document' which encompasses the values and principles of the Compact; this will include all three sectors and the private sector as well.

The IA considers that the process has been extremely helpful in forging relationships, and developing trust and understanding between the sectors. But the good working relationships they have are also the result of the wider social inclusion and partnership agenda. However, both sectors expressed concerns about central government, the fact that central departments were not in tune with each other and were not taking the Compact into consideration.

In summary, there seems to be considerable commitment to the Compact in Derby, built up over two years of discussions, but knowledge about the Compact is limited as yet and it is too early to say what its impact will be.

Case study 2
Just starting

In this shire county the decision to create a countywide Compact was taken in April 2002, and the county council allocated funds to appoint staff to facilitate the process. A Compact key worker was appointed in August 2002, and a county officer was seconded to work on Compact development in November 2002. There are six local authority districts within the county, and local Compacts had already been developed in some of them. The strength of the community and voluntary sector varies across the county. In one case the district authority had only just begun to devote funds to support the sector by, for example, enabling a CVS to be created in its district. Consequently, there was no practice within the community and voluntary sector of networking with groups in other districts or across the county, and in several districts the sector was very poorly organised. Another difficulty was that created by the lack of trust between the districts and the county. The districts were very wary of the county trying to take control of countywide initiatives, and some viewed the Compact as another example of this.

Despite the above barriers to effective partnership working, the Compact key worker and the county officer appointed to help develop a Compact have made good progress. The Compact key worker spent the first several months after his appointment putting together a database of all the voluntary and community organisations across the county, to facilitate communication and consultation. A conference about developing a countywide Compact was held in April 2003, and committees were set up to work on the detail of creating the

Compact. The conference was well attended, and all the six district authorities sent representatives who agreed to participate in the discussions about creating a countywide Compact. They did not all commit themselves to joining the county Compact, however, as they wanted to wait and see what form the final agreement would take and whether or how it would impact on their local policies and procedures.

Key to the success in getting co-operation thus far has been the skills of the Compact key worker in facilitating communication and inclusion in the development process, when there has been a history of mistrust at county and district level, and between the community and voluntary sector and the local authorities. Another important factor was the close working relationship established between the Compact key worker and the county officer with responsibility for the Compact.

Case study 3
In draft

This area is one of the biggest metropolitan boroughs in the country. There seems an apparent North/South divide in the area, with small towns (and a high BME population) in the North and rural areas in the South. There are many contrasting parts of the area. Within the area, relationships between the sectors had been good before the Compact. There has been a good tradition of partnership working and good commitment between sectors but there is the feeling that there is still a lack of understanding by the statutory sector about the strategic role of the VCS. Partnership work has also been just the main players - smaller VCS groups have generally not been involved.

There is a draft Compact and two codes of practice. The draft has not been signed, but there is an intention to link the Compact work with the ISP development in the area. Most smaller groups have not heard of the Compact's development and have not had much input into it. They do not feel that it relates to them. They also have a lack of capacity to be involved in lots of meetings. Most people felt the Compact's development had had no impact.

There is a fairly large BME population in this area (14.4%), most of whom are Muslims. BME organisations have been involved in the Compact development but they have become frustrated. They felt they were on the sidelines of it. They also feel there is a lot of racism in the area. BME organisations feel they do not get their fair share of the money in the area.

Problems that have occurred in this area in relation to the Compact are:

- smaller VCS groups do not see the point of it: it is too vague; there is no clarity over what it is; it is too abstract; and it is not seen as relevant
- there were not enough champions
- there were too many other structures and partnerships and the Compact was seen as just another piece of bureaucracy
- lack of resources
- no deadlines
- it does not come with any money attached
- process too long
- general feeling of being bombarded by initiatives.

Case study 4
Getting there

In this largely rural county, work on a Compact began four years ago and a working group was formed between key voluntary and statutory organisations. The authority was fairly traditional in its approach and the relationship between the sectors was characterised by paternalism and dependency. The Compact development process gave the sectors space to discuss each other's point of view and understand each other's language. The process began by discussing difficulties which allowed members to release a lot of 'baggage'. This took up eight months of development time but it strengthened the working relationships and was seen as a crucial part of the process. The Compact was still in its draft stages, with the first version due to be launched in July 2003.

The length of the development process has been due to the pressure of other government initiatives and the lack of funding – working group members have used their own internal resources, but feel that if government had funded Compact development, they would have completed it much earlier. Since the completion of the study, the Compact has been signed.

The key personnel driving the Compact have been the CVS, the PCT and the county council. The few local BME groups in the county had little knowledge of the Compact, despite the fact that working group members said that they had been consulted and given language support. A number of consultation events have taken place over the two years of development and these have been well-attended by both sectors. However, as a large

county with 40 percent of VCOs managed by volunteers only, there are major logistical problems in getting people involved and the CVS is under immense pressure to represent very diverse views.

Case study 5
Still in development

This is a large (about 2,250 square miles), mainly rural, area. Within the area, some of the problems include difficulties in getting to meetings (a long way to travel, lack of public transport, meetings take up too much time with travelling). Historically people who live in the area tend to 'look after their own' and are very self-sufficient. Interviewees suggested that people do not want, or need, change or intervention. There is a low BME population. There has not been much development in relation to BME groups and not much recognition of BME issues. There has been little support or resources to encourage BME to get involved in wider issues. The same goes for small community groups.

There has always been good relationship between the sectors. Two years ago there was some successful work on the Compact and partnership working was good. A Compact document including codes of practice was drawn up and agreed, but it was not signed and is not seen as a live document. The VCS umbrella body has been the lead on it. There has been no involvement of the ISC. The main impact of the Compact has been merely to confirm and reinforce existing relationships. Problems that have occurred are:

- they lost the main 'champion'
- there were changes in the political structure of the county council
- lack of resources
- practicalities such as transport issues and getting people together from a large rural area
- the process was too long
- they had more pressing work and it has taken a back seat
- the Compact has been taken over by other initiatives.

A Compact has been in existence with health bodies in the county since 2001, with codes of practice.

Case study 6

Running into difficulties

This is a unitary authority covering six towns. The Compact was developed in January 1999 around a strong and vibrant relationship that had developed between the local CVS and the Strategic Policy Officer for the Voluntary Sector from the local authority. Both worked passionately to highlight Compact development on local agendas.

Even though the national Compact was used as a model, the two partners did consult on sections and codes of practice they felt they could be developed locally. An action plan was agreed and an Implementation Group (IG) was established to oversee Compact development across the authority. It was signed by: the leader of the council, the chair of the local CVS and the chair of the local Regeneration Partnership. There have been no further signatories.

Unfortunately the local context has changed dramatically since 1999 and implementation of the Compact has been slow. The council's Strategic Policy Officer remains in post but the CVS champion has moved away and there has been a high turnover of staff across the VCS. Adherence to the initial action plan has slipped. Reorganisation amongst the local health authorities and the ISC has prevented mainstreaming beyond the initial signatories. Also council/ VCS relations have weakened. In 2001 the Audit Commission (AC) produced a very critical report of the council's grant-making procedures to the voluntary sector. Funds were seen as being tied up in historical allocations, there was insufficient monitoring and the authority was accused of failing to meet its best value responsibilities.

There were also difficulties around consultation on Compact development. In the authority there is a huge range of local partnerships. According to the AC this prevents the VCS from playing a full strategic role. The area is also host to a large BME population who are represented by a variety of umbrella groups. Unfortunately there have been divisions between these groups and the main umbrella group for the BME sector. In 2002, the BME voluntary and community sector umbrella group was scrapped and a new group reconfigured with a new name and a new constitution. This has created upheaval.

Historically, BME umbrella groups in the community have experienced poor support from the authority-wide umbrella group. Community activists, therefore, question the new umbrella group's legitimacy. This has prevented serious engagement of the BME sector in the process of Compact development. Unfortunately there is a further complication. In the authority there is real uncertainty about the extent to which the local CVS represents the BME sector and what its relationship should be with the new BME umbrella forum.

Despite these difficulties there was an attempt to relaunch the Compact. In Feb 2002 the CVS supported the development of an additional VCS strategic forum to enhance its consultative links with the sector. The new body links into the Community Empowerment Networks and the LSP. Despite the high turnover of staff the CVS has started to become more active in Compact development and has contributed to the production of the Consultation COP. Protocols on officer and member involvement and a procedure on how to deal with complaints around funding for voluntary groups were being developed at the time of the research.

The LG philosophy at the time of the research was that it wanted to encourage debate. Therefore the group was going through an extended period of consultation on a range of COPs. The revised Compact was circulated around the council and sent to 900 different organisations represented by the CVS, with the expectation that the new document would go to cabinet later in the year, prior to signatories from the LSP being sought.

Case study 7
Good practice in a two-tier authority

The idea for a county-wide Compact was kick-started in January 2001 when a conference was convened by the five active borough-based councils for voluntary service and the county council. Support for the development of a Compact was broad and included endorsement by the county's Association of Chief Executives. The conference agreed to develop a county-wide Compact that would also apply to all indigenous boroughs. From the very beginning the county council and the participants from the VCS had an eye to the crucial role that the Compact could perform in the future in cementing and enhancing local relations. From the start they laid a particular emphasis on the need to incorporate a section on developing relations with BME organisations and they also aimed to ensure that there was a tie-in with the production of Community Strategies and the introduction of LSPs.

A working group was convened from the conference and a draft Compact was produced in January 2001. It was largely based on the principles of the national Compact and included some elements of a Compact developed in a northern English city. After further consultation it was signed later in the year by the county council and the boroughs, all local councils for voluntary service, the health authority, the local police, the Probation Service and ConneXions. A new Monitoring and Implementation Group (MIG) was convened comprising two representatives from the local authorities, two from the councils for voluntary service and two from the health authorities. Their aim was to specifically oversee the implementation and development of the Compact in boroughs and districts and to ensure that Compact principles were embedded in local authorities and incorporated into the LSPs.

To this end the MIG sought to ensure that a Compact champion was appointed in each local authority department and signatory organisation to promote both the principles of the Compact and embed the document in the working practices within their own organisation. They were also tasked with the responsibility of developing additional codes of practice, constructing their own terms of reference, identifying local champions and appointing a Compact officer. The appointment of the county-wide Compact officer was seen locally as a crucial development to ensuring that the Compact had some impact on the local community. It was clear that awareness of the Compact was generally quite broad, in fact it has already been cited and used to resolve a few issues, nevertheless further development and implementation was seen to require more work. It was hoped that a dedicated officer could provide more commitment and focus to ensuring that the Compact becomes the central focus in local relationships between the local authorities and the VCS. Demonstrating its commitment to the process the county council has made £40,000 pa available for the post. Although the officer is based at a local CVS the individual is accountable to the MIG.

The appointment of a specific officer to promote the Compact was a significant step forward. At the time of writing, awareness of the Compact is quite broad across the CVSs and other umbrella groups representing community interests. Within the boroughs Compact awareness is patchy and usually dependent on the interest and commitment of local players both within the authority and the local CVS. For example one borough had its own fully developed action plan, implementation group and Compact events while another borough was only just aware of the Compact's existence.

The role of the Compact officer is quite broad. As well as servicing the MIG and raising awareness the officer is instructed to write an annual report, develop a standard monitoring process, develop expertise, identify good practice, develop COPs and promote the Compact within the community. More controversially the Compact officer has also been asked to co-ordinate any mediation issues and maintain a list of potential co-ordinators. This new role and the bureaucratisation of potential conflict is not broadly welcomed. The county council has suggested that the MIG should consider how it could '*build in some conflict resolution into the document*', and the idea of a '*complaints investigator*' has also been mooted. However, there are fears amongst two statutory sector signatories that the Compact is getting too formal, and they perceive the establishment of mediation structures as a possible threat to their own organisations' interests that would inevitably entail more work and demands. They feel that Compacts were not intended to be this formal. Nevertheless, the Compact appears to be broadly welcomed and it is anticipated by some that it could possibly perform the function of '*a quality kitemark*' for good relationships between the local authority and the VCS to be cited in funding applications and PR.

Appendix Four: Monitoring and evaluation of the Compact
– a framework

The evaluation of public policy initiatives has developed into a major policy and political concern in recent years. Most major government health and social policy programmes – Sure Start, New Deal for Communities, Children's Fund, Health Action Zones for example – now come with major evaluative studies attached to them. The pressure to evaluate arises both from the 'new managerialism' in the public sector with its emphasis on identifiable and (usually quantifiable) outputs and value for money and from a growing emphasis on the right of consumers to receive quality services of defined standards. It also arises from central government's concern to find out 'what works' and to spread good practice.

However, assessing what the Compact process has achieved will not be easy. Compact development is taking place in a context where there are many different cross-cutting initiatives – Local Strategic Partnerships, the range of programmes associated with the National Strategy for Neighbourhood Renewal, futurebuilders and other initiatives which may emerge from the HM Treasury Cross-Cutting Review (HMT 2002: a potentially important driver for Compact implementation and development) – as well as those mentioned above. All of these will have their impact on the relationships between the sectors. This makes it difficult to attribute change to the Compact. Indeed several respondents, when asked about the impact of the Compact, said they thought change was more a product of the overall change in policies towards the VCS than the Compact *per se*.

Nonetheless, it will be important to try to tease out what Compact development has achieved. Although government has committed only marginal levels of financial resources to the development of the Compact (compared with some of its big social policy programmes), it has committed a great deal of political capital to the Compact. It is therefore concerned to know whether this has been capital worth expending and whether and how the Compact works in strengthening and clarifying its relationship with the voluntary and community sector. Similarly those who have been involved in developing Compacts at different levels and in different sectors need to know that their efforts have been worthwhile and are making a difference. Those who have not yet engaged in the Compact process meanwhile – in local authorities, other public bodies and the VCS – need to know whether it is worth becoming engaged in the first place.

This chapter seeks to provide a framework for addressing these questions. As well as drawing on recent relevant literature, it is also based on discussions in two workshops held towards the end of the study, in London and York, with an invited group of Compact champions from different levels of government and the VCS.

Why evaluate?

Evaluation, properly framed, can be an extremely effective tool in supporting innovative work such as that of Compacts. It can, for example:

- demonstrate whether the resources that are going into Compact development and implementation – time and money – are being used effectively;
- check whether progress is being made and expectations are being met;
- check whether what is being done is still what the 'Compact community' (i.e. those key actors engaged in promoting it) wants or needs;
- be the basis for future planning;
- identify strengths and weaknesses;
- identify what is being learnt; and
- tell funders (and politicians) involved what has been achieved.

It is, however, important to distinguish between monitoring and evaluation. To paraphrase the recent baseline review for the Scottish Compact (Hayton 2003), monitoring is an ongoing and systematic activity that is carried out in parallel with implementation and is concerned with observing and measuring inputs and outputs. Evaluation is concerned with assessing outcomes. In Hayton's proposals, the two approaches to evaluation effectively are combined, but with evaluation a less frequent activity (every 3-5 years) than monitoring (which it is proposed, should be done on an annual basis).

Principles for evaluation

In developing a framework for evaluation the following principles have been drawn on. These are taken from a range of work in relation to programmes which emphasise relationship building and/or empowerment (see, for example, Russell 1996, Alcock *et al.* 1999, Barr and Hashagen 2000, Hems 2003.)

Ownership

Evaluation needs to engage all potential stakeholders from as early a stage as possible in agreeing the goal of the Compact, identifying needs and, most critically, thinking about measures of success or effectiveness which are relevant to their situation. This will help the evaluation to be alive to the different priorities that different stakeholders might have, whether public bodies, the mainstream voluntary sector or smaller community or BME groups. It will also help to demystify the process of evaluation so that the results can be owned by all the various parties involved. This will make it more likely that they will contribute to it, apply it and learn from it.

Measuring quality and quantity

Measures of success should use both qualitative and quantitative indicators. The number of relevant quantitative indicators – such as numbers of organisations signed up to the Compact – is likely to be small. And while they are relatively easy to measure and to communicate, they will need to be elaborated and explored through the use of qualitative measures which can provide a greater depth of understanding about context, process and the quality of relationships. Small-scale studies could, for example, explore just what 'signing up' to the Compact means for local groups in terms of changed behaviour and prospects.

Evaluating process and outcomes

Monitoring and evaluation of the Compact needs to focus on the process – the journey as described in Chapter 2 – as well as the product. This means recognising that the Compact is more than a 'piece of paper' and exploring what lies behind the written words – changes in understanding and commitment, for example.

Diversity and power relations

A monitoring and evaluation framework has to take account of diversity. The Compact community often has disparate and potentially opposing interests; within public bodies, between different levels of government, between the different sectors and within the VCS itself. This means that, while any framework will need to build a coherent and measurable view of goals and outcomes, it will also need to acknowledge difference and diversity and ensure that it does not simply reflect the views of the most powerful stakeholders. This will require a multi-method approach that can incorporate a range of perspectives on the effectiveness and desirability of change.

Sustainability

This study has argued that, while the signed Compact document – the 'piece of paper' – may be a significant milestone on the journey to improved relationships between the sectors, it is not the end of the journey. The Compact is concerned with sustainable change and the process of monitoring and evaluation will need to be an ongoing one. It will need to feed back into practice at key points in the process of development both to answer questions on which there is agreement and to identify the further questions which have arisen from experience so far. As such it will encourage the continuous learning process which will need to be at the heart of change. Involving the whole Compact community throughout the process of evaluation and shaping key features of it will be the best route to ensuring that the Compact community can engage in this ongoing learning and development.

What to evaluate

Drawing on the evaluation literature, the following components of Compact development that will need to be evaluated can be identified:

Baseline	Where Compact development starts from
Inputs	What is needed to develop and implement it (resources fed into the project)
Process	How it is developed and implemented
Outputs	What is produced (the documents and commitments)
Outcome	What it achieves

The key task for the evaluation of Compacts is then to identify the key elements which are thought to contribute to an effective Compact, to identify what measures would relate to each of these elements and to do so in a way which, as far as possible, separates out the elements relating to the Compact from those applied to all the other confounding policy processes going on in what is a very crowded arena. It will then be necessary to establish the current state of play as a baseline against which to assess learning and improvement. This means assessing the current state of relationships and the point in the Compact development process that different areas have got to. In identifying indicators, it will also be important to be realistic about timescales – when is it realistic to look for improvements? Most importantly, in evaluating Compact development the key question, as recent writers on qualitative evaluation observe, is not about whether the Compact works, but what works, for whom and in what circumstances (Pawson and Tilley 1997).

The kinds of indicators which have been identified in this research are listed below and can be applied either at the national or local level although, clearly, only a selection of these measures might be appropriate to any specific piece of evaluation, depending on local circumstances. Indicators identified as part of the Scottish baseline review have also been drawn on (Hayton 2003). It will be important to look for indicators which are as precise and measurable as possible and, where possible, specific measures are indicated in this study. This is not a comprehensive list of all the indicators that might be appropriate but provide a menu of key indicators from which Compact actors can choose or to which they can add, to suit their own local circumstances.

Inputs:

1. Are resources committed to the development and/or implementation of the Compact?	Which agencies are funding Compact development? Is it in cash or kind, and are the levels of investment proportionate to the size and resources of the organisations involved? What resources are they putting into Compact implementation? Are there champions in all sectors, and are these champions supported with human and financial resources? Does the championing of the Compact go wider than just one champion (alternatively, is the champion a lone voice)?
2. Infrastructural support for the Compact development process	Are there mechanisms to support champions within each sector? Are champions held to account within their sectors? Are smaller organisations reimbursed for the costs of involvement in Compact development? Is there a dedicated post to support Compact development? Is there a dedicated budget?
3. Is there political ownership?	What level of officer is engaged in the Compact – on steering or review groups (and who attends) and in development and dissemination work in and beyond the agency? Are members involved and at what level? Is there explicit commitment from the top?

Process:

1. Widening understanding of the Compact (dissemination)

Is information about Compact regularly and widely disseminated?
Are there regular events, seminars, and workshops to build understanding and commitment to the Compact? Do these target those not centrally involved in Compact development? How?
Is information about the Compact reported back regularly to all constituencies by accessible channels?
Is the Compact part of normal induction procedures for all staff in both sectors?

2. Use of codes of practice

Have all five codes of practice been agreed by all relevant parties?
Are there at least minimum standards in all areas specified within the five codes of practice (for example over periods of time for consultation exercises)?
e.g. are the codes embedded into day to day working relationships? How?

3. Is there an Action Plan?

Are there clear operational targets?
Are responsibilities clear under the action plan?
Is it reviewed annually or biennially at least?
Is there a process of reviewing achievements against the action plan?
Is there a dispute procedure and is it used?
If the Compact is breached, is there a clear mechanism to follow, with procedures and opportunities for appeal?
Is there a widely accepted arbitration process attached to disputes mechanisms?

4. Defining measures

How are measures of effectiveness of key aspects of the Compact defined and do they draw on the views of all stakeholders?

Outputs:

1. Developing a
   Compact

   Is there a Compact, and who is signed up to it?

2. Widening
   understanding of
   Compact
   (awareness)

   Do organisations know what it is; have they received copies of the
   Compact and codes of practice; do smaller organisations and those
   representing excluded groups know what it is; does a sample of
   public sector workers and members know what it is? (Test on an
   annual basis.)
   Is there a designated information point on the Compact and do
   organisations and public sector staff know who this is?

3. Widening
   ownership of
   Compact

   Numbers of organisations both knowing what the Compact is and
   signing up to it (test on an annual basis).
   Numbers of organisations attending the annual review or similar
   Compact-related events.

4. Use of action plan

   Have the actions outlined in the action plan taken place?

5. Improving funding
   arrangements

   Are funding decisions made in line with the codes of practice? Are
   VCOs informed of decisions in good time? Are processes open and
   transparent?
   Are there three-year funding agreements?

6. Use of
   consultative
   procedures

   How often does the time given for consultation breach guidelines?
   And for reporting back on consultations?
   Has anything changed as a result of consultation?
   Do measures of service quality and best value draw on the views of
   the VCS?

7. Mediation

   Is the Compact used normally to resolve disputes?
   Do partners use the complaints procedure when there are breaches?
   And are complaints resolved to the satisfaction of all parties?

8. Effectiveness of
   other codes

   Does the Compact encourage volunteering? Do volunteers have a
   voice in relation to Compact development?
   Are BME/ small community groups as fully involved in the Compact as
   non-BME-groups or mainstream voluntary organisations?

Outcomes:

1. Ongoing engagement in the Compact process

Appropriate representation from all relevant parties
Balanced representation from all relevant parties
Do all parties 'Compact-proof' new policies, including, for local authorities, Best Value, ISPs and, for other agencies, relevant annual or strategic plans? Is the Compact built into the scrutiny process and mainstreamed?
Do all parties (including the VCS) keep their undertakings as reflected in the Compact?

2. Reference to the Compact

Do research and policy documents in all sectors regularly use the Compact as a touchstone?
How often is the Compact cited in policy documents

3. Qualitative and quantitative shift in inter-sectoral relationships

Is there an improvement in trust?
Reduction in numbers of major crises or disputes between sectors.
Proportion of budget allocated to VCS;
what proportion of funding to VCS comes from local statutory sectors, and is this appropriate? Has this level gone up or down?
Volume of responses to consultative exercises.

4. Qualitative and quantitative shift in intra-sectoral relationships

Is the Compact owned across all departments of a local authority or similar body at local level, and at all levels of government departments?
Are VCOs operating effectively together in relation to the Compact

5. Transferability of Compact to other partnership bodies

Is the place of the VCS secured on ISP and other strategic partnership Bodies. Is the VCS seen as an equal partner or even lead body in, for example, New Deal for Communities (NDC), Sure Start etc.?
Are there protocols for fitting the Compact with other partnerships?

6. Positive impact on service users

Do service users perceive improvements in services as a result of the Compact?

7. Making a difference

Are there examples of events or processes – positive or negative – where the Compact has palpably made a difference in outcomes?
Is there a widespread and diverse acceptance that it has made a difference?

| 8. Ongoing commitment to evaluation | Is there a dedicated budget for evaluating the progress of Compacts? |

How to evaluate

The broad principles which evaluation should follow are outlined above. But what methods will be necessary to capture what is happening on the indicators listed? A Scottish study (Hayton 2003) has made a number of recommendations about how to go about this process in Scotland. This suggests a mix of an annual national electronic monitoring survey, biennial focus groups and a three-yearly evaluation survey that goes into more depth about outcomes. In addition, there are a number of existing research instruments in Scotland which do not exist in England (although see below). These include a Direct Funding Database and a Consultation Registration and Evaluation System, as well as a research panel of voluntary organisations that goes back ten years (although this is largely confined to organisations with charitable status). A workforce panel is also being set up.

The mix of a regular annual national electronic monitoring survey, biennial focus groups and a more detailed survey every three years is one that could equally be applied to England, but this would need to incorporate data that in the case of Scotland could be routinely gathered through the other monitoring instruments gathered above. There is also the vexed question of a sampling frame. At government level, every government department which has contact with VCOs, every Government Office for the Regions and every local authority should be surveyed. Local authority surveys could build on those carried out earlier by the Local Government Association. It would also be possible to do a census of health bodies and LSCs. VCOs would need to be sampled and this presents problems. The research for this study faced considerable difficulties in the absence of any robust and comprehensive database of VCOs and it is understood that such a database is still some way off. Regional networks may in time be able to furnish databases below the national level, but these are less likely to be available soon in a robust form, and may by definition not properly incorporate 'hard-to-reach' groups. At local level, annual surveys may encounter similar problems, although some localities have developed comprehensive lists – some, indeed, as part of Compact development. The State of the Sector Panel of voluntary organisations within England established by the Home Office will be a valuable resource in improving information about Compact awareness and within the sector. Much will depend on the extent to which it is able to reflect the whole range of organisations within the sector, especially at local level (see below).

Survey work could be supplemented each year by a small number of focus groups, based on a regional and/or thematic basis, concentrating on specific issues identified for further investigation at the annual review and, along the Scottish lines, a more in-depth exercise, combining a detailed interview survey and say, eight case studies to identify outcomes and explore issues emerging form the annual survey, on a two- or three-yearly basis. This proposal consolidates the researchers' findings with the Scottish experience.

It is tempting to suggest that there should also be regional and local surveys, but care should be taken not to overwhelm both sectors with questionnaires. However, local surveys would be able to explore progress in more depth, across a wider number of local groups, and to tailor research instruments to local conditions, e.g. the requirements of the action plan, parts of the VCS that are particularly significant locally (e.g. because of the ethnic characteristics of the area), and particular local concerns. The research tools could be wide-ranging and almost certainly most questions will require a mix of methods; these might include, for example, group discussions, telephone or postal surveys, documentary analysis, policy analysis, face to face individual interviews, workshops, and participant observation. Ideally, there should be a basic survey which is repeated annually, along with supplementary questions agreed between the signatories. This should go to all relevant public sector bodies (and IA departments) as well as a stratified sample of local organisations, to ensure inclusion of different sizes and types of group. It should inform an annual review involving both sectors in a facilitated participatory session, which can amplify the findings of the survey. Local champions should also consider commissioning face to face interviews, perhaps less frequently, in order to assess relevance and reach to particular marginalised groups or to address particular aspects of Compact development, according to the priorities defined in the action plan. These more intensive interviews can also provide qualitative assessments of progress and outcomes.

A research team led by Professors Taylor and Craig is exploring these issues further and work is being progressed to develop the monitoring and evaluation framework.

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