

## Governing Body meeting (held in public)

**DATE: 29 September 2016**

<b>Title</b>	<b>A NEW COMPACT AGREEMENT FOR BEXLEY</b>
This paper is for <b>Discussion</b>	
Recommended action for the Governing Body	<p>That the Governing Body:</p> <p><b>Ratify</b></p> <ol style="list-style-type: none"> <li>1. The principles of the Compact Agreement and make comments ahead of an action plan being developed to embed the principles in local practice</li> </ol>
Potential areas for Conflicts of interest	Any Members who are associated with, or related to anyone associated with, local voluntary organisations covered by the Compact.
Executive summary	<p>The Compact is an agreement between the statutory sector and the voluntary and community sector (VCS). The agreement aims to ensure that the statutory sector and the VCS work effectively in partnership to achieve common goals and outcomes for the benefit of communities.</p> <p>Bexley’s previous compact was agreed in 2010. The Resources Overview and Scrutiny Sub Group found that the local context has changed significantly since 2010 and made recommendations for the Compact to be refreshed. The LBB Capacity Building Transformation Board (co-chaired by BVSC) has therefore drafted a refreshed Compact with statutory and voluntary sector partners, to reflect these changed circumstances and also establish a set of principles that can enable a mature and productive relationship between the two sectors.</p> <p>It is based on:</p> <ul style="list-style-type: none"> <li>• Discussions from the Building Health Partnership Programme (2015)</li> <li>• The Resources Scrutiny sub-group report on the voluntary sector (2016)</li> <li>• Bexley’s Voluntary Sector Strategy (2016)</li> </ul>

## Clinical Commissioning Group

- The work of the Capacity Building Transformation Board (2015-2016)
- A workshop with local partners, facilitated by Compact Voice, on refreshing the Compact
- A workshop run by BVSC with Voluntary Sector CEOs on commissioning
- Bexley's previous compact
- The national compact

It aims to consolidate the discussions held over the last two years into a set of principles for good partnership working between the statutory sector and the voluntary and community sector.

By refreshing the Bexley Compact it is intended to:

- Raise mutual awareness, respect and honesty between the sectors
- Build trusting relationships and foster a spirit of collaboration
- Show that the aims and ambitions we have in common are greater than the perceived differences that might have caused barriers in the past
- Create transformation and success
- Work together to improve local communities by making them stronger and more resilient

It is important to note that the compact is less about the written words and more about the principles being embedded into everyday practice. All partners are asked to consider how they can take ownership of embedding these principles into the practice of their organisation. For example, the Council is reviewing its commissioning cycle, contract management and commissioning practice and in doing so, is giving regard to the principles of the compact to ensure that its processes enable collaboration with the sector within its legal framework.

The Bexley Compact commits both the statutory sector and the VCS to achieving the following four principles:

1. A strong, diverse and independent voluntary and community sector
2. Effective and transparent design and development of policies, programmes and public services
3. Responsive and high-quality programmes and services
4. Clear arrangements for managing changes to programmes and services

In aiming to achieve these four principles, it is asked that the voluntary and statutory sectors make some commitments in their process and practices,

and in their thinking and behaviour.

**Five key commitments for the statutory sector**

- Respect and uphold the independence of Voluntary and Community Organisations (VCOs) to deliver their mission, including their right to campaign, regardless of any relationship, financial or otherwise, which may exist.
- Ensure greater transparency by making data and information more accessible, helping VCOs to challenge existing provision of services, access new markets and hold the statutory sector to account.
- Recognise that the VCS have a role to play in developing and shaping services and policy through co-design and co-production and provide opportunities for the VCS to do so.
- Work to a published funding or commissioning framework that is corporately agreed across their organisation when working with voluntary and community sector organisations
- Encourage feedback from a range of sources on the effectiveness of the statutory sector’s partnership with VCOs and how successful it has been in delivering their objectives. Consider placing this feedback in the public domain.

**Five key commitments for the voluntary sector**

- Raise awareness of the impact that voluntary action and volunteers have on individuals, local communities and the wider VCS.
- Be open to hearing about performance issues with your service and take appropriate action as early as possible.
- Proactively engage in the commissioning process providing information and advice about communities and individuals.
- Take active leadership in developing and shaping services and ensuring service users are involved in the co-production process.
- When campaigning or advocating, ensure that robust evidence is provided, including information about the source and range of people and communities represented.

**Shared Aims**

- Place the needs of the community first in considering impact of changes to programmes.
- Understand on both sides that reduced budgets affect everyone; work together to weave resource to most effectively arrive at outcomes.
- Be transparent about acknowledging success and failure in design and delivery of programmes.
- Agree not to speak badly of one another in public and be clear on what type of campaigning is acceptable.



## Clinical Commissioning Group

	<ul style="list-style-type: none"> <li>Develop and engage in programmes that support partnership working between the sectors and develop increased awareness of the roles, responsibilities and constraints that each of the sectors operate within.</li> </ul> <p>The Capacity Building Transformation Board is undertaking a process of consultation with partners on the draft Compact in August and September with a view to agreeing a final version by the end of September. The feedback from the consultation with partners will help form an action plan for agencies to embed these principles into their current practice.</p> <p>BVSC intends to launch the compact at its AGM on 19th October 2016.</p>	
How does this paper support the CCGs objectives?	<b>Patients:</b>	Working in accordance with the Compact will enable BCCG to maximise the impact for patients of the valuable work which the voluntary sector do for people with a wide range of needs
	<b>People:</b>	The Compact provides a set of good practice principles, the following of which will contribute to the success of BCCG
	<b>Pounds:</b>	There is good evidence that investment in the voluntary sector yields a high return per pound. Working well in collaboration will enable us secure more of this benefit for our patients
	<b>Process:</b>	The Compact puts in place a process and a set of principles to underpin our work with the voluntary sector
What are the Organisational implications	Key risks	Working in line with the Compact reduces risk by providing a set of principles to govern our work with the voluntary sector
	Equality	The voluntary sector work with some of the most vulnerable people in our communities. The Compact encourages and enables us to harness more capacity reduce health inequalities
	Financial	There are no financial implications
	Data	None
	Legal issues	None
	NHS constitution	The Compact is in line with Principle 5: The NHS works across organisational boundaries and in partnership with other organisations in the interest of patients, local communities and the wider population.
Engagement	<ul style="list-style-type: none"> <li>A workshop with local partners, facilitated by Compact Voice, on refreshing the Compact</li> <li>A workshop run by BVSC with Voluntary Sector CEOs on</li> </ul>	

**Clinical Commissioning Group**

	commissioning <ul style="list-style-type: none"> <li>• Bexley Health &amp; Well-being Board</li> </ul>	
Audit trail	The Compact has been approved by Bexley Health & Well-being Board	
Comms plan	Comms will be led by BVSC commencing with the launch at their AGM on October 19 <sup>th</sup> .	
Author:	Clinical lead:	Executive sponsor: Dr Nikki Kanani
Date	16 September 2016	

# A Compact for Bexley

## August 2016

### EXECUTIVE SUMMARY

The Bexley Compact commits both the statutory sector and the VCS in Bexley to achieving the following four principles:

- 1. A strong, diverse and independent voluntary and community sector**
- 2. Effective and transparent design and development of policies, programmes and public services**
- 3. Responsive and high-quality programmes and services**
- 4. Clear arrangements for managing changes to programmes and services**

In aiming to achieve these four principles, we have asked that the voluntary and statutory sectors make some commitments in their process and practices, and in their thinking and behaviour.

#### Five key commitments for the statutory sector:

- Respect and uphold the independence of Voluntary and Community Organisations (VCOs) to deliver their mission, including their right to campaign, regardless of any relationship, financial or otherwise, which may exist.
- Ensure greater transparency by making data and information more accessible, helping VCOs to challenge existing provision of services, access new markets and hold the statutory sector to account.
- Recognise that the VCS have a role to play in developing and shaping services and policy through co-design and co-production and provide opportunities for the VCS to do so.
- Work to a published funding or commissioning framework that is corporately agreed across their organisation when working with voluntary and community sector organisations
- Encourage feedback from a range of sources on the effectiveness of the statutory sector's partnership with VCOs and how successful it has been in delivering their objectives. Consider placing this feedback in the public domain.

#### Five key commitments for the voluntary sector:

- Raise awareness of the impact that voluntary action and volunteers have on individuals, local communities and the wider VCS.
- Be open to hearing about performance issues with your service and take appropriate action as early as possible.
- Proactively engage in the commissioning process providing information and advice about communities and individuals.

- Take active leadership in developing and shaping services and ensuring service users are involved in the co-production process.
- When campaigning or advocating, ensure that robust evidence is provided, including information about the source and range of people and communities represented.

### Shared Aims:

- Place the needs of the community first in considering impact of changes to programmes.
- Understand on both sides that reduced budgets affect everyone; work together to weave resource to most effectively arrive at outcomes.
- Be transparent about acknowledging success and failure in design and delivery of programmes.
- Agree not to speak badly of one another in public and be clear on what type of campaigning is acceptable.
- Develop and engage in programmes that support partnership working between the sectors and develop increased awareness of the roles, responsibilities and constraints that each of the sectors operate within.

# A Compact for Bexley

## August 2016

[Foreword TBC]

### WHAT IS A COMPACT?

The Compact is an agreement between the statutory sector and the voluntary and community sector (VCS). The agreement aims to ensure that the statutory sector and the VCS work effectively in partnership to achieve common goals and outcomes for the benefit of communities.

### BACKGROUND: LOCAL PARTNERSHIPS IN BEXLEY

The challenges to public funding and increasing demand on local services means it is more important than ever to transform how public services are delivered.

- The Local Authority's Transformation Strategy 2018 focusses on addressing further budget reductions. By 2019/20 the Council is required to save an additional £56m (in addition to the £63m saved between 2011 and 2016).
- The NHS transformation strategy 'Our Healthier South East London' focuses on priority health issues which need collective action across the sub-region. It looks to establish Local Care Networks which in practice will mean more care is provided in community settings outside hospital. There will be a greater focus on helping people to stay well and services more joined up.

Both transformation strategies seek to build community resilience and build capacity the voluntary and community sector in order to support the whole-system changes required.

In the last two years, the London Borough of Bexley, supported by BVSC, has invested in the Building Health Partnerships Programme and the Capacity Building Transformation Board – both designed to improve partnership between the VCS and the statutory sector.

The Capacity Building Transformation Board in particular is focused on:

- Improved commissioning including more co-production and co-design
- Increased community engagement and community activation

- Improved use of volunteering

Already, there are a number of good examples of co-production between the voluntary and community sector and the Council and CCG, including social prescribing, the Carer's Hub, Weight Management programmes and falls prevention service development. The Capacity Building Transformation Board has also developed a commissioning cycle for the Council and CCG to ensure that commissioning is consistent and offers maximum opportunity for co-production.

## **THE BEXLEY COMPACT**

This Compact follows the principles of the national compact but also reflects local circumstances. It sets a structure for both the VCS and statutory sectors to engage with each other. By refreshing the Bexley Compact in this way, we hope to inspire new partners to sign up and support the principles underpinning this compact.

By refreshing the Bexley Compact we intend to:

- Raise mutual awareness, respect and honesty between the sectors
- Build trusting relationships and foster a spirit of collaboration
- Show that the aims and ambitions we have in common are greater than the
- perceived differences that might have caused barriers in the past
- Create transformation and success
- Work together to improve local communities by making them stronger and more resilient

## **BEXLEY COMPACT COMMITMENTS**

The Bexley Compact commits both the statutory sector and the VCS to achieving the following five principles:

1. A strong, diverse and independent voluntary and community sector
2. Effective and transparent design and development of policies, programmes and public services
3. Responsive and high-quality programmes and services
4. Clear arrangements for managing changes to programmes and services

## 1. A STRONG, DIVERSE & INDEPENDENT VOLUNTARY AND COMMUNITY SECTOR

### Undertakings for the statutory sector:

- Respect and uphold the independence of Voluntary and Community Organisations (VCOs) deliver their mission, including their right to campaign, regardless of any relationship, financial or otherwise, which may exist.
- Ensure VCOs are supported and resourced in a reasonable and fair manner where they are helping the statutory sector fulfil its aims.
- Ensure that there are resources in order to assist with VCOs capacity and capability to deliver positive outcomes.
- Ensure greater transparency by making data and information more accessible, helping VCOs to challenge existing provision of services, access new markets and hold government to account.
- Consider a range of ways to resource the VCS, including grants, contracts, loan finance and use of premises.
- Recognise that volunteers make an important contribution to Bexley both socially and economically and recognise, promote and uphold good volunteer management.

### Undertakings for VCOs:

- Raise awareness of the impact that volunteers and voluntary action have on individuals, the VCS and local communities.
- Explore new ways of working and diversify funding streams.
- When campaigning or advocating, ensure that robust evidence is provided, including information about the source and range of people and communities represented.
- Ensure the needs of the community are met by providing services to targeted groups with funding that has been made available.
- Share information to develop evidence bases and use this information to target services.
- Support the statutory sector with working towards achieving their priorities.
- Ensure independence is upheld, focusing on the cause represented

### Shared aims:

- Be transparent
- Share information and data, policies and best practice.
- Agree not to speak badly of one another in public and be clear on what type of campaigning is acceptable.
- Understand on both sides that cuts affect everyone; try to protect services where possible.
- Use resources effectively and explore collaboration of premises, facilities and leases.

## 2. EFFECTIVE & TRANSPARENT DESIGN OF PROGRAMMES & PUBLIC SERVICES

### Undertakings for the statutory sector:

- Work to a published funding or commissioning framework that is corporately agreed across their organisation when working with voluntary and community sector organisations;
- Provide timely information to the voluntary and community sector about changing public policy, development of new service outcomes, and related funding opportunities allowing sufficient time for bids or tenders to be prepared, including collaborative bids
- Ensure that procurement processes including timing do not disadvantage smaller voluntary organisations
- Recognise that the VCS have a role to play in developing and shaping services and policy through co-production and provide opportunities for the VCS to do so
- Consider 'social value' and maximise the opportunities for small voluntary and/or community groups to engage in delivery of public services
- Acknowledge that voluntary organisations have the right to use the full cost recovery process, but may choose not to do so
- Provide, wherever possible, at least three- year funding agreements, recognising that this improves confidence, stability and sustainability
- Consider the financial stability of organisations being paid by results, recognising core costs
- Only request monitoring information that is proportionate and that will evidence not only outcomes but experiences of the whole commissioning cycle.

### Undertakings for VCOs:

- Take active leadership in developing and shaping service and ensuring service users are involved in the co-production process.
- Share expertise, knowledge and skills gained from being able to engage closely with service users. Help to identify need in the community.
- Engage in consultation and provide feedback to statutory partners when collecting the views of local residents.
- When putting forward ideas, focus on evidence-based solutions, with clear proposals for positive outcomes.
- Where proportionate to do so, develop business plans to ensure the sustainability of their organisation and its services which may include collaboration or consortia arrangements with other organisations;

- Provide clear monitoring and evaluation information which shows the return on a statutory sector agency's investment in an agreed format proportional in scope to the investment made
- Establish the added value that they provide including recognition of an equivalent monetary value to volunteering.
- Ensure the organisation is able to monitor and evaluate the indicators agreed.
- Be up to date on the easiest way to evidence outcomes and share best practice in monitoring.

**Shared aims:**

- Be transparent about acknowledging success and failure in design and delivery of programmes
- Review performance and take actions to improve

### 3. RESPONSIVE AND HIGH-QUALITY PROGRAMMES AND SERVICES

#### Undertakings for the statutory sector:

- Ensure that VCOs have a greater role and more opportunities in delivering public services by opening up new markets in accordance with wider public service reform measures and reforming the commissioning environment in existing markets\*
- Work to remove barriers that may prevent VCOs accessing public sector funding, thereby enabling smaller organisations to become involved in delivering services where they are best placed to achieve the desired outcomes.\*
- Commit to multi-year funding where appropriate and where it adds value for money.
- The funding term should reflect the time it will take to deliver the outcome. If multi-year funding is not considered to be the best way of delivering the objective, explain the reasons for the decision
- Ensure well managed and transparent application and tendering processes, which are proportionate to the desired objectives and outcomes of programmes
- Agree with VCOs how outcomes, including the social, environmental or economic value, will be monitored before a contract or funding agreement is made. Ensure that monitoring and reporting is relevant and proportionate to the nature and size of the opportunity. Be clear about what information is being asked for, and why and how it will be used
- Ensure equal treatment across sectors, including reporting and monitoring arrangements, when tendering for contracts
- Recognise that when VCOs apply for a grant they can include appropriate and relevant overheads, including the costs associated with training and volunteer involvement
- Discuss and allocate risks to the organisation(s) best equipped to manage them. Where prime contractors are used, ensure they adhere to the principles of this Compact in allocating risk
- Ensure delivery terms and risks are proportionate to the nature and value of the opportunity
- Ensure that the widest possible range of organisations can be involved in the provision of services through appropriate funding and financing models, for example outcome based payments and payment in advance of expenditure
- Recognise different kinds of quality standards and have an active role in agreeing locally recognised quality standards
- Ensure all bodies distributing funds from the statutory sector adhere to the commitments in this Compact. This includes the relationship between prime contractors and their supply chains

- Apply the Compact when distributing European funding. Where conflicts arise with European regulations, discuss the potential effects and agree solutions together
- Encourage feedback from a range of sources on the effectiveness of the statutory sector's partnership with VCOs and how successful it has been in delivering their objectives. Consider placing this feedback in the public domain.

\* this is linked to the formal processes that each statutory organisation must deliver ( i.e. procurement processes etc.)

### Undertakings for VCOs:

- Proactively engage in the commissioning process providing information and advice about communities and individuals
- Ensure eligibility for funding before applying and be explicit about how outcomes will be achieved.
- Ensure robust governance arrangements so that organisations can best manage any risk associated with service delivery and financing models, including giving funders early notice of significant changes in circumstances.
- Work towards achieving appropriate quality standards
- Provide appropriate training for trustees
- Be open and transparent about reporting, recognising that monitoring, whether internal or external, is an aspect of good management practice.
- Demonstrate the social, environmental or economic value of the programmes and services provided, where appropriate.
- Help facilitate feedback from users and communities to the statutory sector to help improve delivery of programmes and services.
- Recognise that the statutory sector can legitimately expect VCOs to give public recognition of its funding

### Shared aims:

- Strong governance practice
- Programmes and practices that support partnership working between the sectors and increased awareness of the roles, responsibilities and constraints that each of the sectors operate within

#### **4. CLEAR ARRANGEMENTS FOR MANAGING CHANGE TO PROGRAMMES AND SERVICES**

##### **Undertakings for the statutory sector:**

- Ensure regular and proportionate performance management of services
- If a programme or service is encountering problems, identify this as early as possible, give clear messages to the CSO about the issues encountered, and agree with the CSO a timetable of actions to improve performance before making a decision to end a financial relationship.
- Provide support to overcome problems, and resource or support with efficiency and smart working
- Assess the impact on beneficiaries, service users and volunteers before deciding to reduce or end funding. Assess the need to re-allocate funds to another organisation serving the same group.
- Where there are restrictions or changes to future resources, discuss with VCOs the potential implications as early as possible, give organisations the opportunity to respond, and consider the response fully, respecting sector expertise, before making a final decision.
- Give a minimum of three months notice in writing when changing or ending a funding relationship or other support, apart from in exceptional circumstances, and provide a clear rationale for why the decision has been taken. Have an open door policy to talk about funding concerns

##### **Undertakings for VCOs:**

- Recognise and prepare for some funding and some projects that will be time-limited
- Be open to hearing about performance issues with the service and take appropriate action as early as possible
- Plan for the end of funding to reduce any potential negative impact on beneficiaries and the organisation. Give early notice of change in service delivery
- Contribute positively to reviews of programmes and funding practice.
- Advise the statutory sector on the social, environmental or economic impact of funding changes, and on ways to minimise their effects on people in vulnerable situations.
- Look at efficiencies and smart working where possible, and sharing resources where appropriate

**Shared aims:**

- Place the needs of the community first in considering impact of changes to programmes
- Design a resilience policy and undertake scenario planning