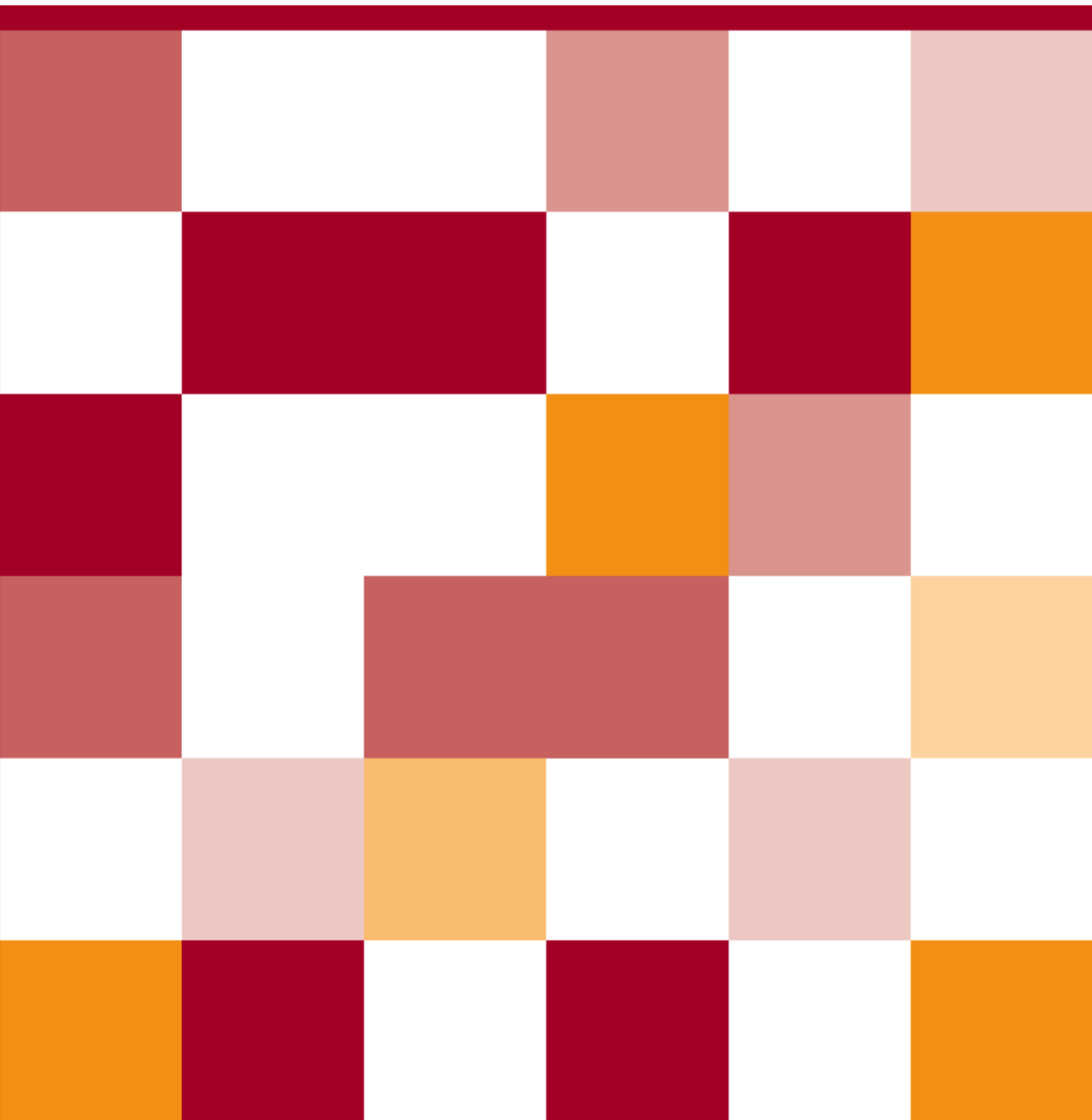




CabinetOffice
Office of the **Third Sector**

Compact annual review 2010

Government progress report



1. The framework for partnership

Since 1998, the Compact has been at the heart of relationships between Government and the third sector. In 2009 the refreshed Compact was launched. This was the first time since its inception that it had been updated, and it was crucial that the debate was grounded on an honest appraisal of the successes and limitations of the Compact to date.

Extensive work went on across Government as departments engaged with stakeholders, and fed in their evidence and insights. For example in the Home Office there was a concerted effort to reach out to the police to ensure that the refreshed document would be relevant and meaningful in their efforts to build partnerships to make communities safer. Many departments set up Compact working groups to take this forward, and this was a valuable part of the process.

It was important that the Compact remained challenging enough to frame partnerships over the coming years, whilst building on the successes of the past. At the same time, the refresh process needed to learn lessons from where the Compact could be improved. One key lesson that emerged was a need to make the Compact shorter and easier to use, so the full range of stakeholders would be able to engage and embed the Compact without it being a bureaucratic burden.

Throughout the refresh process there was a clear understanding that the production of a document would only go so far. The real work is to ensure that the document is matched by meaningful partnerships between the Government and the sector, with greater awareness and implementation in the coming months and years. Many departments engaged in programmes to ensure the Compact would be fully embedded in their work. Compact Week saw a vibrant range of events across Whitehall and in the Department of Children, Schools and Families a series of events were held to raise the profile of the Compact, which were led by the permanent secretary and minister.

The Department for Culture, Media and Sport published a new third sector strategy following engagement with the third sector to establish core priorities. The strategy focuses on providing help through the economic downturn and further embedding the Compact. Another example of efforts to embed a partnership culture was in the work shadowing scheme developed between Compact Voice and the Department for Communities & Local

Government. The feedback was very positive, and as a result there is planning underway to roll the scheme out more widely. These opportunities help to build understanding of the respective cultures with the public and third sectors, and enable lasting partnerships to be formed. While there are many differences between the two, there are also many shared values and priorities. Both, for example, want to ensure that policies are fair and address the needs of all people and communities across the country.

2. Developing policy together

There is evidence that Government departments are increasingly valuing the insights and knowledge of the third sector, and trying to harness this to develop and implement more effective policy to achieve departmental strategic objectives. Departments are finding ways to engage with third sector organisations to ensure hard to reach segments of society are heard in the policy development process. In Her Majesty's Revenue and Customs customers are segmented according to their attitude and ability to comply with tax laws or access their entitlements. The third sector plays a significant role in supporting the Willing But Needs Help Customers. In the Crown Prosecution Service there have been partnerships built with the third sector to help develop valuable forms of community engagement.

The role of third sector organisations as strategic partners of Government continues to gain momentum. In particular, the Department of Health officially launched its Third Sector Strategic Partner Programme to support third sector organisations to build on their skills and knowledge to improve health and social care services and act as advocates, as well as ensuring input from the sector in developing health and social care policy.

These collaborations can have an international dimension as well. Third sector organisations can help add weight to the case and positions made by the Government on the world stage. The Foreign & Commonwealth Office engages with NGOs to help shape policy, such as in the formulation of their position on the international Arms Trade Treaty. Equally, in the Department of Energy and Climate Change there was a staunch effort to ensure that third sector voices were heard and channelled into the climate change summit in Copenhagen.

Different departments are finding effective ways to channel civic engagement. As the 2012

Olympics approach, thousands of volunteers are joining the joint efforts of Government and third sector organisations to make the Olympics a success. The Department of Culture, Media and Sport is also working with the third sector to ensure the Cultural Olympiad engages the whole of the UK with the Olympic spirit. The Department of Health has also established a new Health and Social Care Volunteering Fund as part of its strategic vision for volunteering.

3. Neighbourhood to the national

Across Government there is a huge range of funding for third sector organisations. This funding recognises the breadth and depth of value the third sector can add to public life, whether it is in small grants to grass roots organisations or the provision of vital services to communities across the country by large charities. Over £33 million in grants was given to over 13,000 charities and voluntary organisations in the first full year of the Government's Grassroots Grants scheme. While half a million pounds of funding went to Neighbourhood Watch to strengthen the capacity of the grassroots movement and its national representative structure around a number of key areas.

There have been many examples of third sector organisations being able to demonstrate unrivalled value for money in providing services for hard to reach groups. For example the UK Border Agency awarded eleven out of twelve Refugee Integration Services contracts to third sector providers. Another example of providing more joined up and comprehensive services through collaboration with the third sector is the Armed Forces Community Welfare Pathway initiative in Kent which is now planned for further roll out in other parts of the UK. Yet there is a recognition that there is still more to be done to enable third sector organisations to compete on a level playing field for contracts.

There are still many obstacles that get in the way of the third sector being able to play as active a role as possible. The Third Sector Contracting Unit, which is within the Office of the Third Sector, has brought together policy experts from a range of Government departments to work on removing the barriers faced by the third sector in gaining Government contracts.

There have also been efforts to make it easier for third sector organisations to work with Government, whether as a prime or sub contractor, whilst being Compact compliant. The

Suppliers Charter pioneered by the Department of Work & Pensions is trying to do just this. The establishment of Funding Central, a free smart website for all third sector organisations providing access to thousands of funding and finance opportunities, is another example of the attempt to ensure that money can reach the organisations that can put it to best use.

Departments continue to look for collaborative models for addressing difficult social challenges. The Veterans Prison In-Reach Working Group is an example where the relevant public bodies worked with third sector partners, sharing insights and data, to help develop innovative forms of help and support. The Department of Health has done extensive work in stimulating the start-up and increasing the sustainability of social enterprise, in particular through the Social Enterprise Investment Fund.

4. Challenges ahead

The year ahead will have many key challenges for partnership working. There will be efforts across Government to ensure the refreshed Compact is embedded in processes across Whitehall. There will be a continuing focus on building the skills base of the third sector. In 2009 Skills-Third Sector was established in order to identify and address the third sector's skills needs in order to develop its workforce, both in terms of staff and volunteers, and this work will have a key part to play.

There will also be ongoing efforts to ensure that greater partnership working does not impede the diversity and vitality of the third sector. An essential component of this is ensuring that large and small organisations are equally able to form partnerships and bid for contracts.

There will also be ongoing efforts to find ways to work with third sector organisations in order to find innovative ways to embed environmental sustainability. The Department of Energy and Climate Change has led on the research programme Low Carbon Community Challenge, and similar efforts will continue to be critical in ensuring a sustainable future.

The public financial situation is going to be challenging, and so the role of core support services, value for money and innovation to meet the needs of communities will be key. We have seen over the last year the £42.5 million package announced by the Cabinet

Office in Real Help for Communities was specifically targeted to support the sector in facing the challenges of the recession. While the Department of Business, Innovation and Skills funded the Citizens Advice Bureaux to help people struggling with their finances, whilst also doing extensive work to forge links between the financial services industry and social enterprise.

The framework for partnership is in place; there is an understanding that this can lead to developing effective policy; and a plethora of examples of projects – large and small – that show it working in practice. The ability and need to find innovation and value for money through partnership working between the Government and third sector has never been greater, and continuing to embed this knowledge and practice across the public sector will be key to successful service delivery in the coming months.

**Office of the Third Sector
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