

Report of the Assistant Director for Economic Development and Partnerships

Developing the York Compact: new codes of good practice

Summary

1. This report sets out and seeks approval of the new and revised York Compact codes of good practice that have been developed by the York Compact Group. It further asks that Members endorse the Council's continued involvement in and support for the York Compact.

Background

2. City of York Council is a long standing partner and founding member of the York Compact, which is an agreement guiding the way in which local public bodies and voluntary and community organisations work together in the city. The York Compact was first signed in 2000 between the Council and the local voluntary and community sector (VCS), with the Primary Care Trust, Hospital Trust and Learning and Skills Council signing up in 2004.
3. The York Compact agreement is in 2 parts:
 - (i) The status, shared vision and principles and general undertakings by both public bodies and voluntary and community organisations
 - (ii) Codes of good practice covering: funding; consultation; partnership with black and minority ethnic voluntary and community groups; volunteering (first agreed between the Council and VCS in 2002); community groups (agreed 2004), plus a new code on partnership working.
4. The York Compact is based on the national compact between central government and the voluntary and community sector, but has been developed locally through a process of representatives of public bodies and voluntary and community organisations sitting down together to decide what the local agreement should contain and how it should be implemented.
5. The York Compact Group, with a balance of public sector and VCS representatives, meets on a regular basis to promote and monitor progress in implementing the Compact, to revise and update the documentation, develop new codes of good practice and to investigate and resolve breaches of the Compact. The Compact Group has also helped to promote the effective participation of the VCS in Council and citywide processes such as the

development of the Local Area Agreement (LAA), and in the Council's annual budget consultation processes. The current members of the Compact Group are listed at Annex 1.

6. The Compact is a useful tool for the Council in guiding its working relationships with the very wide range of voluntary and community organisations in the city. In addition, by continuing to engage with the Compact in a proactive way the Council also benefits in terms of meeting the Government's expectations for local authority engagement with the 'third sector'; for example, the inclusion of the Compact in the LAA process was welcomed by Government Office.
7. Whilst the York Compact is not intended to be a legally binding agreement all signatories have given their commitment to supporting the principles and 'spirit' of the agreement and working towards meeting the good practice contained in the codes. Members should therefore be aware of the implications set out in paragraph 26 below.

New codes of good practice

8. The original local codes of good practice agreed in 2002 (and amended slightly in 2004) were quite lengthy documents, applied only to the Council and the VCS and reflected the situation in place at the time. Since then the membership of our local compact has widened and there have been substantial developments in relation to national and local policy and practice, including the Government's drive to develop the role of the voluntary sector in public service delivery.
9. A process of reviewing the local codes, with the dual aims of shortening them to improve their accessibility and broadening their remit to include the wider public sector was therefore put in place. The revisions have also taken into account changes to the national codes of good practice and the developments in local policy and practice. The process has been slow due to the limited resources available for this work and the need to consult widely with partners across the public sector membership and the VCS.
10. The main revisions to the codes are summarised in the table below and the full codes are attached at Annex 2.

	New code
General changes across all codes	Refers to 'public bodies' rather than 'the Council' All codes now 2 sides A4 or less by removing some of detail about processes and background information
Funding code	Includes funding and commissioning / procurement in line with the most recent national code Removes some of the detail about processes Highlights Full Cost Recovery Highlights elements of VCS accountability Introduces: <ul style="list-style-type: none"> ▪ role for VCS in funding/ programme design & review ▪ to work towards giving 3 months notice of decisions ▪ giving 3 months notice of funding reductions / termination ▪ encouragement for payment in advance where 'appropriate and possible'
Consultation code	Increases timescale for major consultations from 6 to 8 weeks (<i>national code has 12 weeks</i>)
Volunteering code	Introduces: Commitment to take volunteers views into account in decision-making & include them in communications (<i>equality with paid staff</i>) Public sector 'support' for the provision of specialist volunteering infrastructure
Black & Minority Ethnic (BME) code	Includes the duties under the Race Relations (Amendment) Act Highlights the importance of partnership between all sectors
Community groups code	Highlights role of voluntary organisations in encouraging greater involvement by community groups
Partnership working	New code to reflect growing importance of partnership as a way of 'doing business' (provides link to the Council's Partnership Guidelines)

Implementation

11. The codes contain some challenging clauses which individual agencies in the public and voluntary and community sectors may not currently meet. Each organisation will need to consider how they can develop existing policies or practices in order to meet these clauses in the future. Some clauses may be impossible to meet locally until changes are introduced nationally e.g. planning

consultations have a statutory 6 week timescale and the Council's planning service will be unable to meet an 8 week consultation timescale locally.

12. The Compact Group accepts that there are clauses which will be difficult, and even impossible for some organisations to meet straight away. As codes of good practice they are therefore to some extent aspirational. Nevertheless the Council, along with other public and voluntary and community organisations, is asked to work towards meeting this good practice, and, most importantly to continue to use the Compact to help build on and develop positive working relationships and partnerships across the city.
13. The Compact Group will be developing an implementation plan for the Compact as a whole in terms of communication, training and monitoring of breaches. Similarly it makes sense for the Council to develop its own implementation plan, focussing on those elements of the revised codes which have yet to be met.
14. In relation to the new good practice on funding and commissioning, implementation will need to take into account the work which is underway to review existing arrangements for commissioning services; which is a commitment in the Local Area Agreement. This will need to pay particular attention to how the Council progresses towards giving longer notice periods of decisions, especially where funding is reduced or terminated.

Consultation

15. Consultation has taken place throughout the Council, with the wider VCS and through the other member public bodies. The codes have been considered at our local compact conferences over the past 2 years (in December 2005 and May 2007) with the Compact Group agreeing the final set of amendments in July 2007.
16. The majority of Council services are involved in some sort of joint working with voluntary and community organisations and it is therefore important that all Council service areas are familiar with the York Compact and its codes of practice. This involvement may include:
 - financial relationships (grants or contracts)
 - consultation on Council or citywide proposals
 - community development work
 - participation in joint working or partnership arrangements
17. Consultation around the Council has produced a varied response to the new codes with some feeling the codes do not go far enough in terms of strengthening the relationship between the Council and the VCS and others expressing concerns about particular aspects of the codes, which may be more difficult for them to meet. This is a similar situation for the other public bodies; e.g. the Primary Care Trust can meet the 8 week consultation period as their statutory consultation period is 12 weeks; they however, have greater difficulty with the funding code at the moment due to the remaining uncertainty about how funding arrangements will work. The Learning and Skills Council are tied by national policy and practice to a great extent and will not under current

arrangements be able to meet a number of the funding and commissioning clauses.

18. Consultation has also revealed that there is a varied understanding of the Compact within the Council and that one of the challenges facing the Compact Group and the Council is to promote the Compact more widely amongst council staff and Members. This will need to be part of the implementation plan (see paragraph 13).

Options

19. Members may wish to consider the following options in relation to the new codes of practice:
 - (i) endorsing the codes of practice in full as currently drafted, accepting that some clauses will not be met in the short term
 - (ii) seeking specific amendments to individual codes of practice

Analysis

20. Option 19 (i) is the recommended option, as this will show that the Council continues to support the Compact and wants to maintain good working relationships with voluntary and community organisations in the city. Whilst it would mean accepting that the Council has some work to do to meet all the good practice set out in the codes, the overall commitment of the Council to the principles of the Compact and to ensuring an on-going dialogue with the sector is considered more important than any specific concerns about when we might be able to meet every single element of good practice.
21. Option 19 (ii) is not recommended as it would present difficulties for the Compact Group as a whole, and for other signatories in the public sector. Achieving a set of codes which all public bodies can meet in full at the current time would result in the lowest common denominator being set as a standard rather than best practice. Where there are specific concerns about particular clauses in the codes then this is best dealt with through a process of gradual development and on-going dialogue which will hopefully enable the clauses to be met in the future.

Corporate Priorities

22. The proposal to put in place new codes of good practice for the York Compact and to continue the Council's engagement in the York Compact support a number of the Council's priorities, in particular:
 - to improve the way the council and its partners work together to deliver better services for the people who live in York.
23. The Compact's primary aim is to improve the way organisations work together in the city in order to achieve 'better services' for people in York. The Compact Group provides a mechanism to help achieve better joint working through its

promotion of the shared principles and good practice and its encouragement to effective engagement and partnership.

24. The Compact also supports the priorities

- to improve leadership at all levels to provide clear, consistent direction to the organisation, and
- to improve our focus on the needs of customers and residents in designing and providing services

25. The codes of good practice can be used as a tool across the Council to help give leadership and direction in the area of joint working with the VCS. Whilst it is accepted that more promotion of the Compact is needed internally to increase its use, approval of the new codes will provide a springboard for publicising the Compact approach. The emphasis on the needs of customers and residents is key to many local voluntary and community organisations and one of the ways in which the Council finds out about customer needs is by working through the local VCS. The Compact seeks to ensure that consultation is effective by setting out guidelines for good consultation which can be applied across the Council.

Implications

26. The following implications have been considered:

- **Financial**

There are no direct financial implications arising from the Compact codes of practice which deals with process used rather than actual outcomes. However, the Compact does deal with the processes used by the Council to award grants and contracts to voluntary and community organisations and sets some standards for decision-making and making payments which may indirectly have financial implications. The Compact does not over-ride the Council's Financial Regulations; however, it is noted that the Financial Regulations do include arrangements for waiving specific regulations in appropriate circumstances. This does allow for matters, such as payments in advance, to be considered through a proper process where appropriate.

The code on funding and commissioning is in line with the Government accounting and procurement law.

The Compact Group operates with a very small budget which pays for occasional conferences, publicity and room hire. Current practice is for the public bodies to each contribute £500 once every year or two. The Councils' most recent contribution of £500 was in 2006/7.

- **Human Resources (HR)**

There are no direct HR implications in relation to the Compact. Promotion and implementation of the York Compact is coordinated by the report author. The volunteering code of practice is currently adopted within the Council's HR manual and this should be updated with the new version once approved.

- **Equalities**

The code of practice for Black and Minority Ethnic voluntary and community organisations has been considered by the Council's Equalities officer and comments taken into account.

- **Legal**

The York Compact is not intended to be legally binding or to take precedence over contracts that already exist, or over statutory requirements or duties placed on the Council. However, if the Council were proposing to act in a way that was not in line with the Compact it would need to demonstrate that the rationale for taking such action was reasonable in the circumstances.

- **Crime and Disorder**

There are no Crime and Disorder implications.

- **Information Technology (IT)**

There are no implications for IT.

- **Property**

There are no property implications.

- **Other - Partnership**

The new partnerships code makes reference to the Council's own partnership guidelines which contain much fuller advice on effective partnership working. The new code will need to be widely promoted, including via the Local Strategic Partnership, if it is to be properly considered by the many partnerships operating in the city.

Risk Management

27. The Compact is not intended to be legally binding and as such does not tie the Council into acting in a particular way where this would be contrary to regulations or contractual arrangements. However, specific examples of non-compliance with the Compact may be investigated either locally or nationally where voluntary or community organisations have been disadvantaged by non-compact compliant decisions. Past experience has shown that in most cases a resolution can be found through informal local negotiation, however, voluntary and community organisations may ask for assistance from the national Compact Advocacy Programme, which can and does make representations to public bodies to resolve Compact breaches.
28. The most effective way of minimising the risk of any negative publicity or damage to local Council-VCS relations in connection with possible compact breaches is to maintain engagement with the compact process including via the Compact Group and through building on the already positive relations between individual council services and local voluntary and community organisations. Where we know there are problems with meeting new good practice then it is recommended that discussions are held with individual service areas to agree how to progress towards compliance where this is possible.

Recommendations

29. Members are asked to consider the officer's recommendations as follows:

- (i) That the Executive endorse in full the new and revised York Compact codes of practice

Reason: so that the Council can build on its positive engagement with the voluntary and community sector in the city, with the aim of improving services for people in the city

- (ii) That the Executive supports the Council's continued participation in the York Compact

Reason: so that the Council can play its part in implementing the new codes of good practice

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Report Approved Date 30/8/07

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Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

'The York Compact: an agreement governing the relationship between local statutory and voluntary and community agencies in York', 28 June 2004

Compact 'working together, better together' (various national codes)

www.thecompact.org.uk

York: A City Making History, York's Local Area Agreement, March 2007

Annexes

Annex 1: York Compact Group current membership

Annex 2: York Compact Codes of Good Practice (York Compact Group, July 2007)