

THE MERTHYR TYDFIL COMPACT

A Partnership between
Merthyr Tydfil County Borough
Council
Merthyr Tydfil Local Health
Board
Cwm Taf NHS Trust
and the
Third Sector in Merthyr Tydfil



Foreword

Our vision for the County Borough of Merthyr Tydfil is to be a great place to live, work and learn.

The needs and hopes of people can be met if sectors are willing to build strong, healthy and vibrant partnerships to improve services.

This Compact builds on the original Compact between the voluntary sector and the local authority in Merthyr Tydfil which was published in 2000 and the Compact between the voluntary sector and the local health authority in 2001.

All partners are encouraged to support the Compact's principles and practices and to be involved in the development of the associated Codes of Practice.

We are delighted to present the new Merthyr Tydfil Compact as a method in building on the existing working relationships and improving the partnership for the benefit of Merthyr Tydfil.

Signed

Chair, Merthyr Tydfil Local Health Board

Leader, Merthyr Tydfil County Borough Council

Chair, Cwm Taf NHS Trust

Chair, Voluntary Action Merthyr Tydfil



What is the Merthyr Tydfil Compact?

- The Compact is a partnership agreement between the third sector and the public sector in Merthyr Tydfil as represented by the local authority and the NHS community¹ in Merthyr Tydfil.
- It provides a framework within which the development of shared aims, objectives, mutual respect and understanding will assist the ability of public and third sector partners to improve the quality of life for the people of the County Borough.
- The Compact is written in the spirit of *Making the Connections*, the flagship policy of the Welsh Assembly Government. *Making the Connections: Delivering Beyond Boundaries (2006)* sets out how the Assembly Government plans to address the issues raised by the Beecham Review². It calls for more ambitious arrangements for involving citizens and engaging them in the design, delivery and improvement of all public services. It sets out the role of new local service boards and the introduction of local service agreements. The Merthyr Tydfil Compact is complementary to this policy direction and underpins the relationship between the local statutory sector and third sector and embraces the concept of developing a “public service ethos” rather than a “public sector ethos” for the ultimate benefit of the customer and general public.
- The Compact is intended to guide the process of working in partnership to deliver public services. It covers issues of process rather than substance, i.e. the way plans are made and decisions taken – rather than the content of those plans and decisions.

¹ The NHS Community refers to the Merthyr Tydfil Local Health Board, the Cwm Taf NHS Trust and the Merthyr Tydfil Local Public Health Team

² The Beecham Review of Local Service Delivery “Beyond Boundaries (2006)” called for radical changes to the way in which public services are planned, designed and delivered in Wales, and a greater involvement of the third sector in public services – both in terms of bringing a citizen perspective and constructive challenge to planning and design and in terms of delivering as part of a mixed economy of provision.

- It covers the whole spectrum of partnership working: from consultation and community involvement, through representation on planning bodies and participation in networks, to funding, procurement and contracting.
- *A Compact between the Government and the Voluntary Sector in Wales* was first introduced in 1998. The National Assembly for Wales has reinforced this policy initiative and established the Voluntary Sector Scheme and a Partnership Council between the Assembly and the voluntary sector.
- In 2000 the *Local Compact* between the County Borough Council and the voluntary sector in Merthyr Tydfil was published. Since then a Liaison Group has been responsible for implementing the Compact.
- In 2001 a Compact between Bro Taf Health Authority and the voluntary sector in the region was published.
- This revised Compact has been jointly produced by Merthyr Tydfil County Borough Council, Merthyr Tydfil LHB, Cwm Taf NHS Trust and Voluntary Action Merthyr Tydfil, in consultation with a variety of local third sector organisations and groups. The Compact development process builds on reviewing the performance of the original compact and consultation with third sector organisations concerning their views regarding the content of a revised Compact.
- It is intended that more detailed draft codes of practice will follow, covering areas such as funding and procurement, volunteering, consultation and policy development.
- To assist with clarity, the definition of a third sector/voluntary organisation is based on guidance from the Welsh Assembly Government (see Appendix 1).

What is the Aim of the Compact?

The Compact aims to develop the partnership between the public sector and the third sector in the County Borough of Merthyr Tydfil by helping us to;

- Communicate better with each other
- Understand and respect each other's views
- Work together more effectively to support the people of Merthyr Tydfil and develop services collaboratively

It is intended to ask public sector partners, VAMT, as well as individual third sector organisations to endorse the Compact in writing.

What are the Compact's Values and Principles?

Our shared aim is to provide quality services to the people of Merthyr Tydfil. We recognise that there is added value in working in partnership towards common aims and objectives. The following principles will underpin this partnership:

- Voluntary action and community involvement is an essential part of an inclusive and democratic society and add value to the quality of life in Merthyr Tydfil. It is recognised that the third sector makes a valuable contribution to the economic, environmental and social development of Merthyr Tydfil.
- The differences and diversity between the public sector and the third sector should be respected and valued
- In the development and delivery of services, the public sector and the third sector have distinct and complementary roles
- Each sector has its own set of responsibilities and constraints

- The independence of the third sector should be respected
- Recognising and valuing the important strategic role the public sector plays in developing public policy and services as well as the legal and financial framework in which it operates
- To maximise the effectiveness of the third sector, investment in its infrastructure is essential
- The relationship between the sectors should be open and respectful and demonstrate trust
- Each sector should strive for excellence, equity of access and embrace the principles of sustainable development
- When working together contributions from each sector should be given equal consideration and respect
- Organisations in each sector have the right to contribute to and challenge matters that affect them

Together the Compact will... (*Shared Objectives*)

- ✓ Help to foster a thriving, diverse and independent third sector in Merthyr Tydfil, with funding and contracting arrangements that:
 - are clear and easy to understand;
 - are fair and consistent;
 - provide a range of funding arrangements for core, project and small grant funding
 - carry an administrative burden proportionate to the level of funding;
 - permit and encourage effective forward planning and funding arrangements.

- ✓ Help to ensure that the third sector not only participates in joint working and partnership structures but exercises a real influence on the planning and development of local services and public initiatives.
- ✓ Develop a "Compact Board" as a liaison mechanism which is integrated with the public sector's decision making processes and the wider joint planning arena. The Board will have representation from both public and third sector partners.
- ✓ Help to ensure a wider and more sustained recognition of the social value of volunteering, in terms of both the personal and professional development of the volunteer and the public services provided.
- ✓ Promote the effective governance and management of both the public sector and the third sector. It will underpin a shared commitment to building the capacity of third sector organisations where consistent with a shared strategic direction. It will also encourage all sectors to learn from best practice and seek continuous improvement in the planning and delivery of services.
- ✓ Provide a meaningful and effective procedure for resolving disagreements in a constructive and open way. Responsibility for this will lie with a monitoring body made up of representatives from the Compact partners. Whilst noting that the third sector is not a unitary body, it is envisaged that all representatives will have appropriate authority to follow up any apparent breaches of the compact within their own sector. In the case of the public sector partners, they will have the authority to seek resolution at a senior level if necessary.
- ✓ Develop a shared action plan to deliver the objectives of the Compact and produce an annual progress report to the public sector organisations Boards/Council and for distribution to third sector organisations.

Undertakings of Partners *(More Objectives)*

- ✓ The public sector organisations will support the development, implementation and monitoring of the Compact in line with the agreed vision and principles. This support will include:
 - ensuring that key staff (e.g. external funding officers, procurement and commissioning officers, partnership planning officers) are able to take part in this work;
 - endorsing the need for detailed codes of practice to cover key issues
 - being prepared to review their own procedures and timetables in the light of those codes of practice;
 - endorsing the need for procedures for resolving disagreements; and
 - reviewing the operation of the Compact annually together with the third sector.

- ✓ The third sector will support the development, implementation and monitoring of the Compact in line with the agreed vision and principles. This support will include:
 - ensuring that key staff are able to take part in this work;
 - endorsing the need for detailed codes of practice to cover key issues
 - being prepared to review their own procedures and timetables in the light of those codes of practice;
 - endorsing the need for procedures for resolving disagreements; and
 - reviewing the operation of the Compact annually together with the public sector.

- ✓ The third sector undertakes to maintain high standards of governance and conduct and meet reporting and accountability obligations to funders and users. It will involve users wherever possible and carers where appropriate in the development and management of activities and services.

- ✓ Agencies in the third sector will be encouraged to develop quality standards appropriate to the organisation, including promoting best practice and equality of opportunity in activities, employment, involvement of volunteers and service provision.
- ✓ The third sector undertakes to respect and be accountable to the law. In the case of charities, they will observe the accounting framework and other appropriate guidance as laid down by the Charity Commission.

Proposed Codes of Practice

When developed, the Codes of Practice will help bring the Compact principles into our day to day work and will provide the framework for the codes.

Organisations from both sectors will be invited to adopt the Codes of Practice and are encouraged to be involved in the ongoing development.

1 Code Principles - Consultation and Policy Appraisal

1.1 Integral to project development and policy review

Consultation should be considered at the start of a project or policy review to ensure that it happens at the appropriate stage in the project cycle. The methods chosen, and success of these processes, should be continuously reviewed and evaluated throughout the life of the project. When necessary any statutory consultation procedures must be taken into account.

1.2 Carried out using agreed standards

Consultation between partners should be carried out to agreed standards. These should include defined timescales (ideally at least eight weeks), summarised reports, and clear feedback about results and decisions undertaken.

1.3 Appropriate for the target groups

Consultation should be designed to be appropriate for the partners being consulted, both in terms of the methods used and the style of presentation. Consultation documents should be written in plain language with technical terms explained. All methodologies should be fit for the purpose and target group being consulted. Where appropriate, reports should be translated into Welsh or other formats accessible to their audience, including

those with language difficulties or physical and sensory disabilities. Consideration must be given to meaningful engagement of socially excluded groups.

1.4 Genuine and transparent

Any consultation exercise or document should specify which aspects are being presented for comment and which cannot be changed, to allow partners to respond appropriately. It is understood that partners cannot have an impact on decision making for all aspects of each other's work. Where this is not possible, partners should always make clear that a document or event is for information purposes only rather than consultation.

1.5 Publicised and accessible

Partners should ensure that information and consultation exercises relevant to the work of other partners are well publicised. Consultations and related documents should be easily accessible to groups with all levels of resources and in a format that will allow smaller organisations to respond.

1.6 Shared where appropriate

Partners should work together to share the resources available to undertake consultation where appropriate. The potential for joint consultation exercises should always be examined to reduce duplication.

1.7 "The Gold Standard in Consultation"

- Check if anyone else has done consultation work with results that you can share.
- Ensure that consultation can affect change. It should be a dialogue that leads to decisions, so consult BEFORE decisions are made.

- Make sure you allow adequate time for your consultation project. You need to consider time for planning, conducting, collecting and responding to your activities.
- Try to use methods of consultation that will be the best use of your resources and give you the best results from your target audience.
- Try to make your consultation as inclusive as possible but be aware of over-consulting certain groups.
- Always give feedback to those who have participated in your consultation exercises.
- Turn your consultation into action. Don't leave consultation work "on the shelf".
- Share the results of your work with others.

2. Code Principles - Funding, Procurement and Commissioning

2.1 Genuine and transparent

There will be openness and transparency to make it easier to find out about available funding. The partners will promote fair access to strategic, project and contract funding.

Decisions about procuring or commissioning services will be based on principles concerning quality and value for money and never on cost alone.

2.2 Corporate approach

The public sector will develop consistent procedures and a joint approach to supporting the third sector. They will operate a corporate approach to funding that is consistent and timely and streamlines procedures and reduces duplication, whilst exercising accountability of public funds.

2.3 Infrastructure and sustainability

The public sector recognises the importance of investing in the infrastructure of third sector organisations. It also recognises that longer term funding will improve sustainability and enable forward planning. The public sector will ensure proper consideration of the needs of small community groups by ensuring access to in-kind support, small grants, and supporting the role of VAMT in providing development support.

2.4 Full Cost Recovery

The public sector recognises the principle of "Full Cost Recovery". A joint approach will be agreed to the principle and practical application of full cost recovery i.e. securing funding for proportionate overhead costs as well as the direct costs of projects. This principle recognises that third sector organisations

need to recover costs associated with premises, human resources, audit, marketing and business planning.

2.5 Proportionality

There will be a joint and consistent approach to monitoring and evaluation that is effective and proportionate to the level of funding.

2.6 Consequences of not funding

Consideration will be given to the effects on a third sector organisation of any decision not to fund, or to withdraw funding, before any final decision is taken.

2.7 Timely decisions and payments

The public sector will ensure sufficient notification of funding decisions and will make timely payment of funds subject to public sector budgetary processes.

3. Code Principles - Community Involvement, Partnerships and Networks

3.1 To ensure that third sector organisations, when developing their policies and services in the county, are informed by a wide range of knowledge, experience and expertise

3.2 To ensure that the views of public sector and third sector service users are regularly consulted, listened to and acted upon

3.3 VAMT will seek to ensure that members of partnerships and networks are representative and accountable to their 'constituency'

3.4 "The Gold Standards in Community Involvement"

- Value the skills, knowledge and commitment of local people.
- Develop working relationships with communities and community organisations.
- Support staff and local people to work with and learn from each other (as a whole community)
- Plan for change with, and take collective action with, the community.
- Work with people in the community to develop and use frameworks for evaluation.

4. Code Principles - Volunteering

Volunteering has been described as “an important expression of citizenship and essential to democracy. It is the commitment of time and energy for the benefit of society and the community and can take many forms. It is undertaken freely and by choice, without concern for financial gain.”

4.1 Support of volunteers

Volunteer-involving organisations need an effective and properly resourced support framework.

4.2 Contribution of volunteers

It is recognised that volunteers make a major contribution to the economic, environmental and social development of Merthyr Tydfil. This contribution should be valued and the profile and ethos of volunteering promoted.

4.3 Barriers to volunteering

The barriers to people volunteering should be recognised by developing the capacity of volunteer-involving organisations to respond to the changing needs of volunteers.

4.4 Investing in volunteering

Best practice for the management and support of volunteers and the accreditation of volunteering will be encouraged.

4.5 Consultation and participation

The contribution of volunteers in helping to develop public policy is recognised and encouraged through involvement in consultation processes and campaigning.

5. Code Principles - Governance

5.1 Adherence to legal obligations and best practice guidelines. The Third sector will maintain high standards of governance and conduct and comply with their reporting and accountability obligations.

5.2 VAMT will produce a Code of Conduct for trustees as an exemplar document for third sector organisations to consider

5.3 VAMT will provide training for trustees in accordance with the national occupational standards for trusteeship on

- Principles of governance
- Roles and responsibilities of trustees
- Roles of honorary officers
- Board and committee structures
- Recruiting and developing trustees
- Working with the chief officer

Appendix 1 - Definitions

Third Sector

The document uses the term “the third sector”. It recognises that not all organisations will agree, and individual organisations have the absolute right to describe themselves in any way that they choose – charity, voluntary organisation, community group, self-help group, NGO, social enterprise, community business, *etc.*

But what all of these have in common is that:

- They are established voluntarily by citizens who choose to organise;
- They provide some form of community or public benefit
- Their surpluses, where these are generated, are re-invested in the organisation or for community or public benefit, and are not distributed for private gain.

These common characteristics are far stronger than any differences that may exist between different types of organisation, and for this reason it is helpful to adopt a term that can cover all organisations that share these common characteristics. “Third sector” achieves this.

Adoption of the term “third sector” by statutory organisations will still require it to maintain more precise current definitions for the purpose of eligibility for grant aid or other benefits.

Definition of a “voluntary organisation”

1 The Welsh Assembly Government in the “Third Sector Scheme” lists the criteria that encompass most types of voluntary organisation as:

- independence:
an organisation must be constitutionally independent and not directly controlled by a for-profit organisation or the state. An

organisation is recognised as being independent of the state where there is a majority of non-statutory bodies, appointees or representatives on its 'board of trustees' and a majority of non-statutory members.

- self governing:

an organisation must have its own internal decision making process:

- non profit distributing and primarily non business:

an organisation must make no payments (other than for reasonable out of pocket expenses or other payments allowed by the governing document e.g. for occasional professional services or for grants) to members or trustees;

- voluntarism:

an organisation must benefit from a meaningful degree of philanthropy (e.g. gifts in kind or of time, including volunteers and non paid trustees for example, any organisation that has at least three trustees who give their time is considered to benefit to a meaningful level);

- public benefit:

a voluntary organisation would be expected to be able to demonstrate that its objects and activities benefit the wider public and / or that it makes its benefits available to as wide a group of people as possible within the constituency defined by its objects and / or that it operates in ways which are open and inclusive rather than elitist and exclusive. Where a governing document exists, it should have a clause ensuring that on dissolution, the remaining assets are redistributed to (a) similar voluntary organisation(s).

2.1 These criteria specifically include:

- Community businesses - organisations that are real businesses trading in one way or another, controlled by the community and that directly benefit the community;
- the voluntary housing movement;

- non membership charitable trusts;
- self help / mutual aid groups;
- community and local organisations, community associations, village halls etc;
- environmental groups;
- training charities;
- intermediary bodies;
- women's aid groups;
- arts organisations;
- agricultural groups with wider social benefit;
- charitable, industrial and provident societies;
- sports groups with community / social benefit;
- religious organisations with social benefit.

2.2 They specifically exclude:

- Political parties;
- universities;
- further education institutes;
- charitable independent and grant maintained schools;
- trade unions;
- sports clubs and societies for non public benefit;
- business associations and local enterprise agencies;
- the vast majority of professional associations;
- NHS trusts;
- many major museums;
- quangos and government sponsored public bodies (ASPBs);
- religious organisations with no wider social benefit.

3 There are an estimated 400 third sector groups in the County Borough of Merthyr Tydfil ranging from small specialist self help groups run by users through to national charities.

- They can operate on a national, county, or neighbourhood level, each tending to align themselves to areas of specific specialist concern.
- Some third sector organisations provide direct services (e.g. playgroups, special needs housing), while others provide advice,

information, counselling and support, and some will also provide valuable advocacy services.

- They exist because people perceive a need and work together to bring about change, or a service, for the benefit of the community.
- All will have a governing or managing body of some kind. This group will be referred to in a variety of ways, e.g. a management or executive committee, a council, board of trustees.
- While many third sector organisations are self financing and have no regular contact with the statutory sector, raising all they need directly from the public via fundraising events, donations, and public appeals, others do seek funding and support from a mixture of sources including the public, private and charitable sectors.