

**COUNTY DURHAM
COMPACT**

INCORPORATING CODES OF GOOD PRACTICE
ON FUNDING AND COMMUNITY GROUPS

REVISED

The codes of good practice were drafted by the following organisations:

Code of good practice on funding

CAVOS
Chester-le-Street CVS and Volunteer Bureau
Community Support Team, Durham County Council
County Durham and Tees Valley Strategic Health
Authority
Darlington and Durham County Racial Equality
Council
Durham Dales Primary Care Trust
Learning and Skills Council
Shildon Project for the Initiation of Community
Enterprise (Spice)
Workers' Educational Association

**Code of good practice on community
groups**

CAVOS
Community Support Team, Durham County Council
County Durham and Darlington Acute Hospitals NHS
Trust
County Durham and Darlington Fire and Rescue
Service
County Durham and Tees Valley Strategic Health
Authority
Darlington and Durham County Racial Equality
Council
Derwentside Primary Care Trust
Shildon Project for the Initiation of Community
Enterprise (Spice)

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**THE COUNTY
DURHAM COMPACT**

1 Aims and purpose

- 1.1 This Compact provides a framework to promote and support partnership between the voluntary and community sector and the local authorities and NHS agencies in County Durham. It is a statement of principles and practice which serves as a solid foundation for effective and productive relationships between partners in the voluntary and community sector and the statutory sector. It is a means of nurturing, strengthening and sustaining the voluntary and community sector and supporting the aims and objectives of the statutory sector. The Compact is, therefore, of mutual benefit to all partners and will help to ensure the delivery of quality services to the people of County Durham.
- 1.2 The Compact has been developed through a process of consultation and has been agreed by the partners. While it is not a legally binding document, partners are strongly committed to ensuring compliance with the Compact. The Compact provides a basis for monitoring and evaluating partnership working and for the further development of collaborative partnerships.
- 1.3 A national Compact between Government and the voluntary and community sector was produced in 1998 (*Compact: getting it right together*, Cm4100, Home Office 1998). Since then, local Compacts have been drawn up in many parts of the country. The County Durham Compact is consistent with the national Compact and has also taken into account local experience elsewhere.
- 1.4 It should be emphasised that **this Compact document marks the start of an ongoing process and relationship, not the end.** The Compact will be subject to review and will be built upon in the future as additional issues are brought into it. Moreover, while the Compact sets out some practical commitments it should be remembered that the spirit of the Compact – collaborative, productive partnership, based on mutual respect and trust – is the essential element to which the partners have committed themselves.
- 1.5 This first Compact has been agreed by the local authorities and NHS agencies in County Durham with organisations from the voluntary and community sector. In the future, it is hoped to extend the Compact to include other relevant

agencies operating in partnership with the voluntary sector.

- 1.6 The success of the Compact depends on the commitment of the local authorities, the NHS agencies and the voluntary and community sector to promote it, adhere to it and develop it further. It needs to be the foundation for a process and should be used to make a real and positive difference to joint working and partnership. In addition, the Compact provides a framework for drawing up more specific and detailed codes of practice which can be developed from, and conform to, the Compact. (*See p.6 for the code of good practice on funding, and p.14 for the code of good practice on community groups.*)

2 Shared principles

- 2.1 The shared principles which underpin this Compact are set out below. These principles provide the context for partnership working and collaboration.
- 2.2 Voluntary action and community involvement are essential components of a democratic and socially inclusive society.
- 2.3 An independent and diverse voluntary and community sector is fundamental to the well-being of society. The sector provides vital services, responds to needs, advocates, campaigns, and provides opportunities for individuals to volunteer and so contribute to the development of their communities.
- 2.4 In the development and delivery of public policy and services, the local authorities, the NHS agencies and the voluntary and community sector have distinct but complementary roles.
- 2.5 Working in partnership towards common aims and objectives maximises the value and effectiveness of services to the community. Partnership makes the best use of resources. Genuine and meaningful consultation and dialogue builds relationships, improves policy development and enhances the design and delivery of services and programmes.
- 2.6 The local authorities, the NHS agencies and the voluntary and community sector have different forms of accountability and are answerable to a different range of stakeholders. However, they are all committed to operating with integrity, sensitivity, objectivity, accountability, openness,

honesty and leadership.

- 2.7 Voluntary and community organisations are entitled to campaign and act as advocates, within the law. They are entitled to challenge and seek to change public policy.
- 2.8 It is recognised that the local authorities and NHS agencies play a significant role as funders of some voluntary and community organisations, through contracts, service level agreements and grants. Clearly, funding can be an important element of the relationship that the local authorities and the NHS agencies have with the voluntary and community sector. For many voluntary and community sector organisations, such funding is crucial to their survival.
- 2.9 The local authorities, the NHS agencies and the voluntary and community sector recognise the importance of promoting equality of opportunity for all people, regardless of race, age, disability, gender, sexual orientation, religion, social and economic status, or political beliefs.
- 2.10 The local authorities, the NHS agencies and the voluntary and community sector recognise the importance of promoting the principles of best value and best practice in service delivery. This includes the promotion of participation and involvement by the widest range of local residents and small local groups.

3 Undertakings by local authorities and NHS agencies

- 3.1 Durham County Council, the district/borough councils of Chester-le-Street, Derwentside, Durham City, Easington, Sedgfield, Teesdale and Wear Valley, and the NHS agencies in County Durham will adhere to the undertakings set out below:

Independence

- 3.2 The local authorities and the NHS agencies recognise and support the independence of the voluntary and community sector. This includes the right, within the law, of organisations in the sector to comment on local authority and NHS policy, to challenge policy and to campaign (so long as this is not of party political nature). This right exists irrespective of any funding relationship there may be between an

organisation and the local authority or NHS.

- 3.3 The local authorities and the NHS agencies recognise the right and responsibility of voluntary and community sector organisations to determine and manage their own affairs.

Funding and Support

- 3.4 The local authorities and the NHS agencies recognise that they have an important role as facilitators/providers of funding for the voluntary and community sector. Each of the local authorities and the NHS agencies in County Durham aim to:
 - allocate funding and other support resources against clear, relevant and consistent criteria, whether locally or nationally established, including Best Value.
 - establish clear and transparent arrangements for agreeing and evaluating objectives, performance indicators and other targets
 - develop a funding strategy which encourages common grant application forms across departments as far as is practicable
 - ensure prompt payment after agreement has been reached
 - inform voluntary and community organisations about their future funding (or other support) as early as possible, normally before the end of the existing support period
 - accommodate the needs and values of smaller community groups, how they are represented and how they access small one-off grants
- 3.5 The local authorities and the NHS agencies are aware of, and concerned about, the problems faced by the sector which can result from short-term funding and uncertainty. Consequently, the local authorities and the NHS agencies will seek to provide/access long-term, multi-year funding, where possible and appropriate. This will permit effective business planning, facilitate the achievement of Best Value and allow organisations in the sector to follow good employment practice.
- 3.6 The local authorities and the NHS agencies will assist in the promotion and development of infrastructure and networks which support the voluntary and community sector and

volunteering. They will also endeavour to provide access to technical advice and support, training, transport, accommodation and other resources, as well as accepting training from the voluntary sector where appropriate.

- 3.7 The local authorities and the NHS agencies undertake to consult with, and involve, the voluntary and community sector about proposed changes in the availability of funding and arrangements for allocating funding which may be expected to have a significant impact on organisations in the sector.

Policy development and consultation

- 3.8 The local authorities and the NHS agencies are committed to dialogue with the voluntary and community sector. In particular, the local authorities and the NHS agencies will consult with and involve the sector about:

- the development of local authority and NHS agency policies, programmes and procedures which are likely to affect the voluntary and community sector
- proposals or policy changes which are likely to mean that the voluntary sector has new or different roles and responsibilities
- changes to statutory services which may have significant impacts on the voluntary and community sector
- issues which the voluntary and community sector is well-placed to comment upon, bearing in mind the sector's grassroots knowledge, experience and skills

- 3.9 The local authorities and the NHS agencies recognise that consultation should be timely and should allow reasonable timescales for response. This will take into account the legal or moral responsibility for organisations to consult their service users, beneficiaries and stakeholders in order to form their view and respond. Important mechanisms for this consultation and strategic development are expected to include Local Strategic Partnerships and Primary Care Trusts.

- 3.10 The local authorities and the NHS agencies will take account of the specific needs, interests and contributions of those parts of the sector which represent minority and socially excluded groups.

- 3.11 The local authorities and the NHS agencies will

respect the confidentiality of information provided by the voluntary and community sector, within the constraints of the law, when given access to information on a confidential basis.

Better local governance

- 3.12 The local authorities and the NHS agencies are committed to achieving effective working relationships with the voluntary and community sector.

- 3.13 In working with the voluntary and community sector, the local authorities and the NHS agencies will strive to achieve best value and best practice in service delivery.

- 3.14 The local authorities and the NHS agencies will adhere to the principles of good regulation and open government. Decisions and findings will be made public and explained.

- 3.15 The local authorities and the NHS agencies undertake to review the operation of this Compact annually in conjunction with the voluntary and community sector.

- 3.16 The local authorities and the NHS agencies will promote the principles set out in this Compact to other public bodies and encourage them to subscribe to the Compact.

- 3.17 The local authorities and the NHS agencies will ensure that their members and staff are fully informed about the Compact, adhere to the principles and undertakings, and are regularly updated on its development and progress.

4 Undertakings by the voluntary and community sector in County Durham

- 4.1 The voluntary and community sector comprises a wide range of charities and other not-for-profit groups which exist to benefit the community. The sector includes local branches of national charities, local voluntary bodies and neighbourhood groups. Some of these organisations have paid staff, others rely entirely on volunteers.

- 4.2 The voluntary and community sector working in County Durham will adhere to the undertakings set out below:

Funding and accountability

- 4.3 Organisations in the voluntary and community sector will strive to maintain high standards of good practice:
- in the governance and conduct of their organisations
 - in meeting their obligations to report, and to be accountable to, members, service users, carers and volunteers
 - in meeting agreed monitoring and evaluation obligations to funders
- 4.4 Organisations in the voluntary and community sector will respect, and be accountable to, the law. In addition, in the case of registered charities, they will observe the appropriate guidance from the Charity Commissioners for England and Wales, including guidance on political activities and campaigning.
- 4.5 Organisations in the voluntary and community sector will develop and use quality standards which are appropriate and relevant to them. They will strive to provide high quality services, based on Best Value principles.

Policy development and consultation

- 4.6 The voluntary and community sector will aim to ensure that service users, carers, volunteers, members and supporters are informed and consulted on local authority and NHS policy development issues. The voluntary and community sector will ensure that, when making representations to these bodies on behalf of the sector, those representations accurately reflect the views of the sector. In addition, there will be appropriate reporting-back procedures to organisations in the sector.
- 4.7 The voluntary and community sector will aim to consult with local authorities and NHS agencies on matters of policy development and plans which may have significant impact on those agencies.
- 4.8 When given access to information by local authorities and NHS agencies on a confidential basis, organisations in the voluntary and community sector will respect that confidentiality.

Good practice

- 4.9 Organisations in the voluntary and community

sector will promote partnerships and effective working relationships with the local authorities, with the NHS agencies and with other agencies and also across the voluntary and community sector itself. They respect the right of local authorities and NHS agencies to comment on the policies, plans and activities of the voluntary and community sector.

- 4.10 Organisations in the voluntary and community sector will seek fully to involve members, service users, carers and volunteers in the development and management of their activities and services.
- 4.11 Organisations in the voluntary and community sector will develop and put in place policies for promoting best practice and equality of opportunity in their activities, employment, involvement of volunteers and service provision.
- 4.12 Organisations in the voluntary and community sector will ensure that their members and staff are fully informed about the Compact, adhere to the principles and undertakings, and are regularly updated on its development and progress.
- 4.13 The voluntary and community sector undertakes to review the operation of this Compact annually in conjunction with the local authorities and the NHS agencies.

5 Resolution of disagreements

- 5.1 This Compact sets out a general framework for improving and developing the relationships between the local authorities and the NHS agencies and the voluntary and community sector. As far as possible, disagreements over the application of this framework should be resolved by the parties involved. To assist this process, where the parties agree, the services of an independent mediator may be sought. At the annual review, consideration will be given to whether there is a need to strengthen the complaints and redress process in the light of experience of operating the Compact.

6 Reviewing the Compact

- 6.1 As part of the process of making the Compact work, there will be an annual meeting of representatives from the local authorities, the NHS agencies and the voluntary and community sector. At this meeting, the operation of the Compact will be reviewed and its further

development will be considered. The meeting will look at how the Compact may be amended and further developed; how other bodies are to be encouraged to subscribe to the Compact; and whether there is a need to strengthen the process for dealing with complaints and redress. The report of this meeting and reviews of the Compact will be made available to all the sectors involved.

- 6.2 This annual meeting will agree an action plan for the following year, setting out issues which are to be tackled. It is envisaged that this would include proposals for the development of further specific codes of practice (for example in relation to Black and Ethnic Minority issues) and also the development of detailed plans for key issues of concern to all partners (for example, clarification of consultation processes or making fuller use of information and communication technologies). To implement the action plan, there will be a working group of representatives from all the sectors, which will meet regularly over the course of the year and report to the annual meeting. This process should ensure that attention continues to be given to sustaining the Compact and building on it in the future.

**CODE OF GOOD
PRACTICE ON FUNDING**

The core relationship between statutory and voluntary organisations typically is a funding one, and this is the area where the Compact is most often invoked.

At the Compact annual review in October 2003 it was agreed to develop codes of practice on funding and community groups to enhance the existing County Durham Compact. Shortly after this decision a new draft national code of practice on funding was issued for consultation. The County Durham code of practice on funding is closely linked to Treasury guidance to government departments and is a significant advance on the original national code.

This document is based on the national draft code of practice and customises it for use with the County Durham Compact Agreement.

1 What is the funding code?

- 1.1 The code seeks to provide guidance for statutory agencies and Local Strategic Partnerships and the voluntary and community sector. The aim is to make their funding relationship more effective and to work in accordance with the County Durham Compact principles.

Who is this code for?

- 1.2 It is for everyone in County Durham involved in distributing, seeking or receiving public funds to voluntary and community organisations. It is aimed at working level officials and staff in statutory public bodies and the sector, plus trustees.

How has the code been drawn up?

- 1.3 The code has been written in partnership between statutory bodies and the sector. A small task group drawn from Compact signatories produced a draft, which was then circulated to all signatories of the County Durham Compact for comment. The code was formally approved at the Compact annual review on 5 November 2004.

Why is there a funding code?

- 1.4 The intention is to deliver value for public money by securing the best possible outcomes. Traditional practice in public funding can stifle and diminish the contribution the sector would otherwise

make. Both funders and the sector need a process that is fair and effective. This should then result in sound funding decisions to support well-delivered, outcomes-driven programmes underpinned by a *Compact way of working* in partnership at all levels.

What is the main thrust of the code?

- 1.5 This code's big idea is for the sector's *full* role to be adequately resourced on a full cost recovery basis across the range of funding arrangements. It aims to ensure the sector has the capacity to keep pace with government initiatives, not least boosting the sector's service delivery role (for which the County Durham Compact is the framework). It recognises the need to have a funding code which is applicable locally.

Overarching undertakings

- 1.6 Statutory organisations and the sector promise to adhere to this code as part of their commitment to maintaining best practice, through working together and consulting each other on proposals to review and develop funding policy and practice.
- 1.7 Statutory organisations promise to ensure that funding guides and practices are consistent with this code.

2 Understanding the financial partnership

The sector's needs and requirements

- 2.1 Working level officials need to understand the sector's role, diversity, ethos and nature (including limitations on what charities can do), its independence in a funding context and its resource needs. The sector's full role includes activities such as research, advocacy and campaigning, which add value to society and to government policy both local and national.

The funder's needs and requirements

- 2.2 It is important that voluntary and community organisations understand the needs of statutory and public bodies. This

includes accountability mechanisms for spending public money and the realities of the public expenditure control framework.

Joint undertakings

- 2.3 Local statutory agencies and the sector are committed to taking their funding relationship forward through a partnership approach exemplified by a Compact way of working together. This carries joint responsibility for engaging to get the funding relationship right and specific responsibilities on both sides.
- 2.4 Statutory agencies and the sector agree that the aims of funding are to deliver both government and local statutory agencies' policy (including public services) and the policy objectives of funded organisations, and to maintain the fabric of a free and participative democratic society. They see achieving a stable funding environment for the sector and its infrastructure at all levels as being to mutual advantage. Accordingly, they share a commitment to funding regimes that support the sector's full role through allocating the type of funding that is most appropriate in each case, and with longer-term arrangements being agreed wherever possible.
- 2.5 Statutory agencies and the sector will maintain this framework of key funding principles drawn from sources including the original Better Regulation Task Force report on voluntary sector funding and the Code for Fiscal Stability:
 - **accountability** including compliance with Treasury and Charity Commission guidance
 - **stability** of organisations, the sector and its sub-sectors
 - **efficiency** including processes which have adequate timescales, are easy to use, minimise the administrative burden on both sides and promote best value for money
 - **proportionality** should relate to the size and capacity of funded organisations and/or projects.
 - **transparency, consistency and fairness** including through targeting, in

access to funding and by covering costs properly

3 Using a mix of funding

What are the types of funding?

- 3.1 These options exist for funding voluntary and community organisations:
 - **strategic funding:** long-term investment, offering a degree of security for organisations of strategic importance to the funder or sector (including infrastructure bodies)
 - **project funding:** for specific work
 - **development funding:** for investing in capacity or new organisations
 - **loans:** which can form part of development funding
 - **match funding:** for reducing dependency and increasing funding recipients
 - **contracts** (and service level agreements): used because of the purpose rather than the amount of funding; suitable for delivering partnership projects and public services

Issues

- 3.2 Getting the type of funding right is crucial for funders and applicants as this impacts on their funding relationship.

Funding for the sector's full role needs to include:

- overheads on a full recovery basis
- partnership participation and contract bidding
- key sector functions such as research and development, advocacy and campaigning
- infrastructure bodies that help the sector to do its work, including resources for local Compact development.

- 3.3 Alongside the type of funding, the length of the funding term is an important consideration. Longer-term funding is generally preferable to annually renewable funding, which has low efficiency and

undermines sector stability and service users interests. Roll-forward is suitable where the funder recognises a clear ongoing funding need. It does not mean a series of three-year terms but rather that a funded organisation retains a continuing three-year commitment from the funder, subject to satisfactory performance.

Undertakings

3.4 The statutory sector promises to:

- offer a mix of funding (and where appropriate do so for the same funded organisation)
- ensure that the type of funding used in each instance is fit for purpose
- accept that the form that funding takes is a matter for joint agreement and that early discussion is needed before changing the type of funding used for any organisation
- generally apply the same ethos, principles and values to underpin the approach to funding irrespective of the form it takes
- provide multi-year roll-forward funding whenever appropriate
- ensure when reviewing contracting processes that these do not hamper the involvement of voluntary and community organisations in delivering public services

4 Policy and programme development

Funding programmes

4.1 Statutory agencies, including Primary Care Trusts, funding a programme may oversee it directly or through another agency. Voluntary and community organisations are involved in programmes that are explicitly designed to support them; allocate resources for local partnership delivery; or offer them the chance to bid against other sectors as part of a process for choosing who is best placed to deliver a particular public service priority.

Issues

4.2 The challenge for the local statutory sector is to achieve well-delivered, outcomes-driven programmes that make government policy a success in practice.

The funder should strive to ease potential barriers to sector participation (including resources and timescales). In particular, it is vital to create a level playing field for the sector to compete and to ensure that risk is shared so that trustees can agree to their organisation's involvement.

4.3 The sector should strive to demonstrate where it can realistically deliver best value for money. It is vital for statutory and public bodies to understand the sector's dual role as both partner and provider.

Voluntary and community organisations make a key contribution in helping to design and run programmes. They often raise subsequent concerns which *if put constructively* will inform programme refinement or redesign.

Sector participation in partnership programmes relies on sector infrastructure bodies. Government, regional public bodies, and local public bodies share responsibility for their adequate long-term funding.

Undertakings

4.4 Statutory bodies and the sector will:

- develop, engage in, evaluate and review funding programmes through extensive, well-timed consultation of adequate duration
- take a similar approach with sector policy reviews linked to funding, using the Compact as a framework and way of working together
- identify funding and arrangements needed for sector involvement in new programmes from the outset, including time needed for preparatory work and partnership building
- explore scope for rationalising and integrating funding initiatives
- encourage bodies distributing funds to do so under agreements that explicitly refer to compliance with the Compact

and its codes, and to adopt a Compact way of working

- encourage partnership programme bids to include contributions to partnership building and to continuing and effective local Compact development
- facilitate access to the national government, public and voluntary and community sector training programme to develop skills and best practice in procurement and contracting (including negotiation, risk and management)
- develop a capacity building and infrastructure framework for investing in the mainstream sector, and the Black and Minority Ethnic (BME), community and volunteering sub-sectors at all levels and keep the adequacy of resourcing under review to ensure it keeps pace with policy

5 The application process

What is the application process?

5.1 This process covers arrangements for inviting grant applications or contract bids.

Issues

5.2 Applicants need to know all the relevant background, especially the strategic policies to which their bids should relate, type of funding and selection criteria. And they need to be offered a mutually realistic and appropriate applications timetable (preferably three months).

5.3 Main concerns for applicants are tight timescales and funders asking for similar information in different formats.

Those voluntary and community organisations that take a scattergun approach to applying for funding create unnecessary workload for funders.

Minimising the burden on applicants is especially important for multi-funded or smaller organisations but funders also benefit from cutting red tape.

Undertakings

5.4 The voluntary and community sector promises to:

- apply for funding only when organisations meet the eligibility criteria
- comply with funding conditions (especially making returns on time)

5.5 The statutory sector promises to promote fair access to funding by:

- giving adequate notice of new programmes before the application process starts
- making details widely available with positive targeting of BME and community groups and other sub-sectors with limited access to public funds
- encouraging joint bids to boost access to funding for such sub-sectors, or partnership working (including capacity), value for money, project viability, or client benefit
- addressing questions for funders set out in the Compact community groups code of good practice
- making clear what new money is available so that new and currently unfunded organisations are encouraged to apply
- ensuring consistency and co-ordination between departments including enabling organisations with a cross-government role to secure funding
- publishing an annual guide
- regularly reviewing with the sector the adequacy of arrangements for ensuring fair access to funding, and reporting on this to the Compact annual meeting

5.6 The statutory sector promises that funding processes will be:

- **clear** on programme objectives and details including available funding and eligibility
- **proportionate** to the needs of both the funding programme and likely applicants

- **simple, streamlined and standardised** with common features used by other funders
- **consistent** with good practice on application forms

6 Assessing funding bids

What is it?

- 6.1 This is the stage when the funder decides who gets what funding.

Issues

- 6.2 Getting the funding right is obviously crucial. The amount of funding allocated should be adequate and fit for the purpose. Scaled-down funding offers should never involve arbitrarily reducing proper provision for overheads.
- Recipients should ensure provision for overheads is fully transparent to address concerns from funders about double funding. Many voluntary and community organisations are supported by a range of funders. Failure by any of them to fund on a proper basis is likely to risk the funded organisation's stability and quality of service.
- 6.3 Funders may be looking to reduce the amount sought by applicants, especially if wanting to spread their funding as widely as possible. This should not mean spreading the funding too thinly. Consequences should always be addressed in assessment before taking any decision to fund at lower than the amount bid for or to reject applications (especially currently funded organisations). Assessment should also include checking that any exit strategy submitted is realistic.
- 6.4 Voluntary and community organisations are often working with clients who are hard to reach. This is likely to impact on the unit cost. When assessing contract bids, care must be taken to compare like with like and not discriminate against organisations providing additional, specialist or tailored services for which there is an established need.
- 6.5 Contract pricing should be on a competitive best value basis. Funders must

ensure contract pricing reflects service quality and cost, including any additional, specialist or niche services exceeding standard provision. Voluntary and community organisations when tendering are entitled to fix a price that makes a surplus for reinvestment.

Undertakings

- 6.6 Voluntary and community sector organisations promise to supply financial information transparently and avoid creating double-funding scenarios.
- 6.7 The statutory sector promises to:
- operate clear, transparent and objective assessment processes
 - ensure an appropriate assignment of risk between funder and applicant
 - allocate funding fairly including having regard to the adequacy of allocations
 - give proper consideration and an appropriate response to the needs of Black and Minority Ethnic organisations, community groups and other sub-sectors with limited access to funds
 - ensure that assessment honours the Compact undertaking to uphold the sector's independence and its right to campaign irrespective of any funding relationship

7 Notification of funding decisions

What is it?

- 7.1 This is the stage when the funder notifies the organisation which will be receiving funding.

Issues

- 7.2 Delays can pose serious risks for applicants. These may include cashflow problems, paying interest (which is poor value for money) and a negative impact on service users. Funding notification should always follow the decision without delay and ideally three months before the funding term starts, with applicants being kept informed of any departure from the published timetable. Unsuccessful

applicants should be provided with constructive feedback.

- 7.3 Currently funded applicants must know in good time before the following year starts whether they are to be funded and at what level. Failure by a funder to do this is a serious Compact breach impacting on sector stability and client interests. Compensation should be given for any late payment other than one arising from the funded organisation's own delay.

A joint review by the funder and sector should identify any administrative and political causes responsible in cases of a major breakdown in funding timetables. Auditors and regulators of public bodies should expect local practice to reflect this action point.

- 7.4 Details of approvals should be published widely explaining why the decisions were taken and how the money is to be spent. Inspectors, regulators and auditors should ensure that they apply a consistent and robust framework for checking that all public bodies funding the sector operate along these lines, know what they are spending on the sector and are publishing annually a complete, informative and accessible account.
- 7.5 Successful applicants need to be informed of the amount, duration and purpose of funding approved; standard terms and conditions (with justification given for any specific variations proposed, which should then be negotiated); jointly agreed performance indicators and targets (including a process for seeking revision of work plans); jointly agreed monitoring and evaluation and payment arrangements.

Undertakings

- 7.6 The voluntary and community sector promises to publicly acknowledge the funder's support and recognise that receipt of public funds carries responsibilities to the funder and stakeholders.
- 7.7 The statutory sector promises to:
- make every effort to adhere to announced deadlines for making decisions on bids received

- use standard funding conditions broadly consistent across programmes and with other funders; keep them to a minimum having paid regard to the principle of proportionality

8 Financial arrangements

What are they?

- 8.1 Financial arrangements cover how costs are met and paid for.

Issues

- 8.2 Fair funding means more than getting the money right. Successful funding programmes are achieved through good timing, paying your way and agreeing financial arrangements that are effective for both sides.

Expecting funded organisations to cover costs in advance of payment is unrealistic and damaging. Their general balances are likely to be well short of Charity Commission levels for reserves and their restricted funds cannot be used for other purposes.

Striking a balance of risk and getting the payments timed right are crucial to their financial stability, programme outcomes and achieving best value for money. It is important that officials do take notice of guidance issued by the Treasury that explains the flexibility inherent in government accounting rules.

Full cost recovery of overheads carries responsibilities on both sides

- 8.3 Funders need to create a level playing field that treats the overheads of voluntary and community organisations like those of the private sector. This means funding direct project or service costs plus an appropriate proportion of all associated support costs (including those of being a good employer).

Associated costs of activities crucial to achieving final outputs or outcomes include: front-line activity (e.g. project workers); direct support work (e.g. managers of project workers); indirect support work (e.g. payroll, finance and

human resources); governance and strategic development (e.g. costs of regulatory obligations like SORP accounting or research and development activities).

Payment arrangements

- 8.4 Funded organisations can expect prompt and regular funding payments in advance. (See HM Treasury 'Guidance to Funders'. The Late Payment of Commercial Debts (Interest) Act 1998 also applies to funding voluntary and community organisations.)
- 8.5 Two practices are banned under this code:
- requiring provision to be set up before finalising a contract or grant arrangements
 - 'call-off' contracts that end without payment if insufficient referrals are received

Funders should agree to underspend being used by a funded organisation or otherwise reapplied to organisations on any reserve list, offered to others within the funding programme or offered to fresh applicants. End of year flexibility and carry over should be approved by the funder whenever appropriate in line with Treasury rules.

Undertakings

- 8.6 Voluntary and community organisations will properly understand their overhead costs, allocate them appropriately in line with ACEVO's *Funding our Future 2*, and communicate and justify these clearly to funders.
- 8.7 The statutory sector will:
- fund the full cost of providing the service (or delivering the output/outcome) with overheads calculated through average costs apportioned on a true 'unit cost' basis
 - make every effort to avoid late payment

9 Monitoring and evaluation

What are they?

- 9.1 Monitoring is an information-gathering process that must be proportionate to the sums involved, the organisation's size and

the perceived risk. It ascertains whether funding has been used for the purpose allocated and if funding conditions or contract specifications have been met.

Evaluation is about how good outcomes are and focuses on quality issues (e.g. measuring impact including what has been achieved against expectations, and unexpected outcomes).

Issues

- 9.2 Monitoring depends on funded organisations having good governance and management systems. Monitoring often takes too much time for funders and funded (and especially multi-funded) organisations.

Monitoring should include asking for the estimated administrative time arising from all funders' requirements and seek to free up time for delivery. Attending trustee boards is seldom appropriate or effective monitoring practice or good use of the funder's time.

- 9.3 Funders must regulate financial reporting in a way that is proportionate and reasonable. Burdensome regulation can hamper the sector's work.

In avoiding excessive audit requirements, funders should not demand more stringent accounting and auditing of charities than required by the Charities Act – nor of companies than required by the Companies Act – and should expect the practice of regional funders and local statutory bodies, e.g. One North East and Government Office North East, to enable local statutory funders to do this.

- 9.4 Good monitoring should help prevent funded organisations getting into serious difficulties. Where such difficulties do arise, the funder should take a flexible and supportive approach but never leave crisis intervention too late so that an otherwise retrievable situation becomes impossible.

Where funding has to be withdrawn, funders will need to manage carefully the overriding priority of protecting public money and take account of the trustees' responsibilities, the organisation's

independence and client interests. The funder should strive to identify alternative providers so that services are not lost.

- 9.5 Evaluation needs to be a supportive and developmental process that shares learning with others. It is best done as a joint exercise, drawing on the funded organisation's self-evaluation, and allowing the funded organisation to comment on the report.

It should be geared to a jointly agreed set of outcomes linked to impact and qualitative measures (e.g. on choice, equity, social capital/participation). Flexibility will be needed when evaluating small community groups.

Undertakings

- 9.6 Voluntary and community organisations promise to have:
- effective systems for management, control, accountability, propriety and audit of finances
 - systems for planning and implementing work programmes and monitoring and evaluating activities against agreed objectives
 - quality systems, stakeholder accountability, and volunteer and user involvement in the development and management of activities and services
 - clear and effective employment policies, management arrangements and procedures including ensuring equality of opportunity in employment practice and services
- 9.7 The statutory sector undertakes to be sensitive to the aggregate monitoring burden where other funders are involved, and wherever possible agree on appointing a lead funder for monitoring and evaluation.

10 Taking the code forward

What are the mechanisms and scope of this code?

The sector's Compact Implementation Group will put this code into practice in partnership with the annual review and One Voice Network Secretariat.

Implementation, review and compliance mechanisms for the Compact and its codes include: local government complaints procedures; the Compact Mediation Scheme; Parliamentary ombudsman/local government ombudsman.

- 10.2 This local Compact funding code applies to Compact signatories. Local public bodies including partnerships are expected to take appropriate account of this code.

Issues

- 10.3 Regular engagement between funders and funded organisations is important for getting the funding relationship right and using this code creatively as a policy tool. Compliance with this code on timetables and timescales, fair access, and sector independence and stability is a priority. There is more detail on the relationship between funders and community groups in the County Durham Compact code of good practice on community groups.

Undertakings

- 10.4 Local statutory bodies and the sector will promote this code as good practice for all funders and make suitable mention of it (along with the Compact and its other codes) in publications and communications (including funding and partnership programme literature and other websites).
- 10.5 The councils for voluntary service (CVSs) and One Voice Network (OVN) will act as Compact champions on behalf of local voluntary and community sector organisations.
- 10.6 Each statutory organisation will nominate a Compact champion to liaise with the Compact Implementation Group.

**CODE OF GOOD PRACTICE
ON COMMUNITY GROUPS**

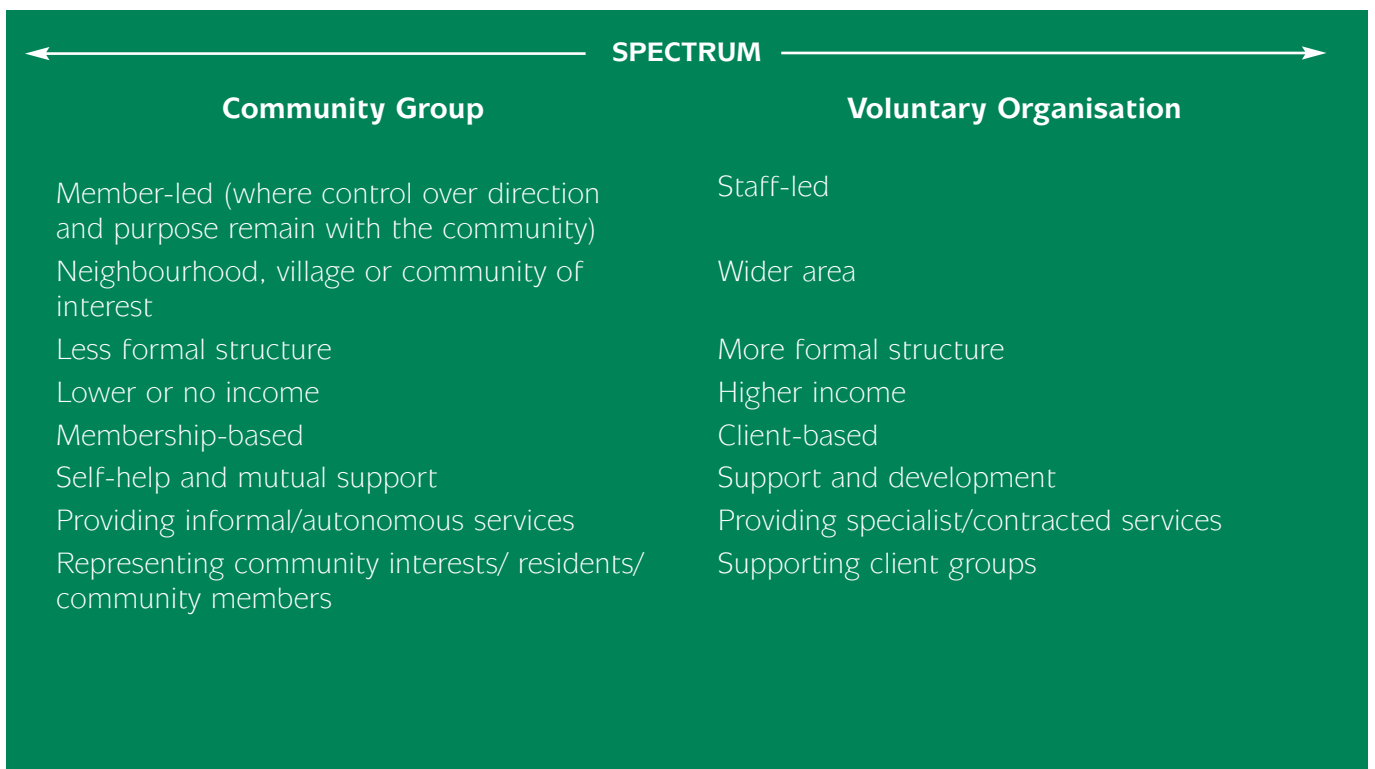
1 Introduction

- 1.1 The County Durham Compact provides a framework to promote and support partnership between the voluntary and community sector and the local authorities and NHS agencies in County Durham. It is a statement of principles and practice developed through a process of consultation and has been agreed by the partners.
- 1.2 This code of good practice on community groups aims to promote a better understanding of the distinctive nature of the community sector within the voluntary and community sector as a whole. By doing so it will have a positive effect on the way other partners in the County Durham Compact relate to community groups through policies and practices.
- 1.3 In order to create and maintain the conditions that support and help community groups to succeed it is important to understand the needs of community groups, which are different from those of voluntary organisations.
- 1.4 Some of the typical features of both voluntary and community groups are shown on the table, although there will

always be a few organisations which will not clearly fall on one side or another and also some organisations which will change and could move in either direction over time.

2 The community sector and its importance

- 2.1 Community groups operate at a local level. The community sector is made up of personal relationships, groups, networks, traditions and patterns of behaviour among people who share physical neighbourhoods, living conditions or common understandings and interests. It is the community itself taking action to get things done, although much of the activity is informal and often invisible. The community sector ranges from small informal community groups to large multi-purpose community organisations.
- 2.2 The community sector is led by values which include:
 - groups being able to make decisions themselves
 - mutuality
 - equality
 - social justice



- co-operation
 - the importance of local delivery at a personal level
- 2.3 The value of the community sector extends far beyond the services it delivers, and includes:
- encouraging people to take part in their communities
 - building social capital
 - improving local democracy
 - strengthening the feeling of community.
- 2.4 Healthy, sustainable communities will include a range of community groups and organisations which, for members of those communities, help to create a strong sense of belonging.
- 2.5 Some community groups develop into larger voluntary organisations, but many want to stay small and keep their original purpose and nature. Others have limited room to grow because of the population they serve.
- 2.6 The community sector in County Durham is made up of thousands of these smaller groups. Many of these are not funded or registered charities, (although this should not be a barrier to funding them). They work locally in rural or urban communities or with communities of interest. Sometimes groups operate across a whole district or town. More rarely they operate regionally or nationally.
- 2.7 The community sector covers the entire range of policy and services. Its activities can range from nurseries and playgroups to community centres and village halls, from tenants' associations to environmental groups, from arts and sports groups to credit unions and from self-help groups to scout groups.
- 2.8 Local and regional government see the community sector as an important partner because community activity is a vital building block in developing a more active and involved society. Community groups help build the relationships which allow people to get more fully involved in influencing local services and taking part in governance structures and partnerships.
- 2.9 Community groups offer a way for local statutory agencies to reach into communities and listen to their views and concerns. They make a substantial contribution to social unity, health and regeneration and are vital in transforming neighbourhoods and communities.
- 2.10 Community groups can play many roles in their community. They can:
- give a voice to communities and help strengthen local democracy
 - encourage a balance between self interest and active citizenship
 - assess the needs of their community
 - make sure local government programme resources intended for communities actually reach them
 - be the first link in breaking the isolation of people who are socially excluded
 - build community unity through community-based events and festivals
 - provide access to the arts and sports facilities in poorer or more remote communities
 - promote a shared responsibility for community safety
- 2.11 Providing services is an important part of the work of community groups in situations where:
- a service cannot be provided by a statutory organisation
 - a statutory organisation cannot provide a service economically because of geography, culture or limited scale
 - a service supports existing statutory services and benefits from community involvement and management
 - a community organisation grows larger and is able to deliver statutory services under contract
 - a quick response is necessary for an identified need
- 2.12 Faith groups represent a particular part of the community sector which is often not fully recognised. They face unique issues.

2.13 This code overall aims to:

- recognise the diversity and contribution of the community sector, and promote understanding of what community groups contribute as an important local resource in any community
- provide a basis for mutual trust and acceptance of the roles and responsibilities of local statutory bodies in County Durham and community groups
- deal with relationships between the community sector and the voluntary sector as well as with local statutory bodies, by setting out separate agreements for all three
- set out the policies, consultative arrangements and support that the community sector needs so it can play an effective role in building successful local communities
- boost access by community groups to the County Durham Compact as a whole and to other local Compacts

3 Consultation

- 3.1 The local statutory sector and voluntary and community sector recognise consultation as being at the heart of their relationship. Voluntary sector involvement in forming policies has increased since the County Durham Compact agreement was published and it is important this continues.
- 3.2 It is equally vital the community sector is given the same opportunity. Wider involvement of community groups in policy-making should make it easier to put this code into practice by:

- identifying how proposals may affect communities
- demonstrating what role community groups themselves can play in putting this code into practice
- involving new people who might not otherwise take part

3.3 Consulting community groups is important, particularly those who do not have the information and networking structures that come from being linked to an umbrella organisation or federation. Input from community groups who are in touch with current local opinion or strength of feeling can provide invaluable information. Many local umbrella organisations produce directories of all known groups in their area, whether or not they are linked to the organisation.

3.4 It is also important to be aware of which groups may be relevant to a particular issue, and to establish with groups what their constituency and mandate are. At the same time, talking with one group should not exclude others with legitimate interests.

3.5 A range of techniques that are designed to involve people can be used to make consultation with community groups and community involvement more effective.

These include Planning for Real, village appraisal, participatory appraisal, visioning workshops, etc. The table on the next page summarizes a number of questions to ask when planning to consult community groups.

The main questions before consulting

- Are you hoping for your consultation to reach community level?
- If so, are you considering the different approaches you need to achieve this?
- Are you able to give notice of the consultation?
- Are there intermediary organisations you should encourage to facilitate the consultation in a way that encourages as many people as possible to get involved?
- Have you budgeted for the resources needed to consult community groups?
- Have you involved the main community members in planning the consultation?
- Do all sections of the community have equal access to the consultation or are there some barriers to involvement which could be overcome?

The main questions after consulting

- Have the knowledge, know-how and views contained in community sector responses been appropriately valued, used at policy appraisal stage and reflected in statements on the effect of the consultation?
- Have you fed back the results within an appropriate timescale?

Further points to consider are included in section six.

4 Funding and other support

- 4.1 The County Durham Compact code of good practice on funding aims to have a positive effect on the funding relationship between the statutory authorities and Local Strategic Partnerships and the voluntary and community sector. It commits statutory bodies to setting up and maintaining best practice in the way they fund the voluntary and community sector, and the sector itself to recognising that receiving public funds carries with it responsibilities to the funding body and to the public who benefit from the service provided.
- 4.2 The funding code is for the whole voluntary and community sector.
- 4.3 However, there are specific considerations that relate particularly to community groups where hundreds of people throughout County Durham are giving their own time, resources, skills and

support through their voluntary involvement.

- 4.4 Funders should publish clear and consistent guidelines on their grants to community groups and jointly review these with them. In particular funders should make sure that conditions and monitoring requirements are not a barrier to community groups making applications and are proportionate to the size of the grant.
- 4.5 Monitoring should also be flexible enough to allow for evidence of success that is meaningful to communities - for example, photographs, stories or even how people make new friends while doing a project.

Small grants

- 4.6 Small grants (normally £10,000 or less) play an important role in stimulating community activity and encouraging new ideas and fresh approaches. Small grants can support such things as meeting costs, publicity, equipment and materials, training and networking opportunities, consultancy or a feasibility study and session workers. Small-grants programmes should offer a quick response where appropriate and a monitoring regime that is proportionate to the small size of the grant. There should be arrangements for one-off grants to individuals and groups who are not formally constituted and do not want to be.

Support for volunteers

- 4.7 Managing volunteers in community groups is very different from those voluntary organisations where paid members of staff are the managers. In community groups, the management committee (made up of volunteers) generally takes on this responsibility. They supervise paid staff and volunteers and are responsible for them in the same way as a paid worker is in a more formal volunteering structure. This needs to be recognised in developing policy and programmes to support volunteering.
- 4.8 As with other organisations, community groups must meet statutory requirements (such as equal opportunities and health and safety). This needs an understanding of charity and common law, licensing and other legislation.
- 4.9 Practical support for community groups is especially important. Organisations, including those within the voluntary sector, which make

charges for their services and events, should consider the impact on community groups. Funders can also work together to provide a package of support and should liaise effectively when approached by groups that cross authority boundaries. The rights of groups to choose the agencies, if any, from which they receive support, should be respected.

- 4.10 Easy access to support is particularly important to community groups. This is shown by the situation of groups run by and for refugees and asylum seekers. They play an important role in supporting their own communities, and at the same time can make a significant contribution to social inclusion, cohesion and integration. To be able to access the necessary information and support, they need targeted outreach so they can be properly consulted, and funding so they can access interpretation/translation services where necessary.
- 4.11 Community groups should have the opportunity to give views on their support needs when funders are reviewing something that affects them. Local umbrella organisations should regularly review the priority they are giving to community groups to make sure that some are not being left out simply because the community sector has not been clearly identified.

The main questions for funders

- What can be done to boost access by community groups to funding?
- What facilities may be needed to explain programmes to community groups?
- How might direct communication with community groups be improved?
- Are all the questions on your application form necessary or are you asking for information you will not use?
- Are the conditions and approval system flexible, fast, in proportion to the size of the grant and open?
- How adequate is your funding for small community groups?
- Are you offering start-up and development grants and ongoing funding?
- Do you regularly review your working definition of risk to make sure there is sufficient scope for trying things out by using new ideas, and do you value learning from those initiatives that fail?

5 The framework of partnership between local statutory agencies and the community sector

Joint undertakings

- 5.1 Local statutory bodies and the community sector are committed to developing and maintaining best practice and mutual respect in their relationship. To act in line with the Compact they both agree to do the following.
- 5.2 Keep to the Compact, this and other codes of good practice as they apply to community groups, and expect statutory-funded regional and local umbrella organisations for the community sector to show they are committed to promoting them.
- 5.3 Make suitable mention of this code of good practice (along with the Compact and its other codes) as appropriate and legal in documents such as policy documents, press releases and in voluntary and community sector publications.
- 5.4 Develop a partnership approach to tackle local strategies from communities including promoting and sharing best practice and celebrating success.
- 5.5 Promote community development based on the following definition:
- ‘Community development is about building active and sustainable communities based on social justice and mutual respect. It is about changing power structures to remove the barriers that prevent people from participating in the issues which affect their lives. It promotes the active involvement of people through sharing power, skills, knowledge and expertise.’
- 5.6 Work in partnership in the following ways:
- recognise that communities need resources for partnership working and involvement and that this may be supported by a community development strategy progressed jointly with the local community sector
 - make sure community needs are identified by communities themselves and that community groups have opportunities to manage projects and have a say in what is considered to be a successful outcome

- deliver race equality by involving Black and Minority Ethnic groups
- make sure employees of statutory agencies working with communities are trained to do so effectively and that the tasks of the voluntary and community sector liaison officers specifically include responsibilities in relation to the community sector where appropriate
- allow community groups where possible to have access to statistics held by the Office of National Statistics (on a geographical level smaller than electoral wards) so local groups can benefit from information that is relevant to the particular needs of their community
- Learning and Skills Councils should have a requirement to involve and support the community sector (including disability groups) in their work, including through local Compacts
- recognise the contribution community groups make to Community Strategies, Local Strategic Partnerships and in Best Value reviews and Comprehensive Performance Assessments
- make sure that in developing toolkits for assessing whether the voluntary and community sector can get involved, (as recommended by the Treasury's 'Cross-cutting Review of the role of the Voluntary and Community Sector in Service Delivery'), they take account of the needs and the infrastructure of the community sector and of smaller community groups

The statutory sector promises to do the following:

- take account of the community sector's needs and role and then enter into dialogue when setting policy or procedures or carrying out a regulatory role
- develop policies towards communities that recognise the importance of communities of people that share a common interest or concern, as well as communities of place
- help create and maintain the conditions and support that help community groups to succeed
- make sure the regulations affecting

community groups are in proportion to the size of the group, and the effects of new regulations are appropriately assessed before they are finalised

- involve people with first-hand experience of particular problems in developing solutions (for example, disadvantaged people, socially excluded and hard-to-reach groups) and give the process resources as appropriate
- value the work, knowledge and expertise of the community sector, including its important role in helping statutory agencies achieve their aims

The community sector promises to do the following:

- accept that, as they receive funding, there is a need for monitoring and evaluating their spending, in proportion to the size of the grant
- encourage quality partnership working and community involvement
- encourage the local community to get involved and take control wherever possible
- tackle racism and other forms of discrimination, no matter where they come from
- be clear and open as to the community or constituency a particular group speaks for
- where appropriate and where it is possible, channel information and views to and from its members or constituency
- make sure that where there is a development agency specifically working with community groups, it co-operates with other appropriate voluntary sector organisations

The voluntary sector promises to do the following:

- play an enabling role which supports the community sector in its diversity
- consult the community sector and consider its different interests alongside those of the voluntary sector before responding to invitations for representation on partnership organisations and other local structures
- challenge timescales that prevent community

groups getting involved

- recognise that the interests of community and voluntary organisations are not always the same, and so make clear which part of the sector is being represented or discussed when necessary
- respond to the information, involvement, practical support and training and conference sponsorship needs of community groups, and count this as a service priority
- ask for the views of community groups when reviewing organisational management and looking at forward planning, and include their views when being evaluated by funders
- make sure that voluntary sector organisations co-operate with agencies specifically working with the community sector, where these exist
- respect the views of other organisations, including community groups, voluntary sector groups, government and local statutory agencies, and work constructively with them, especially when there are many viewpoints and interests
- acknowledge how appropriate it is for voluntary community representatives to take the chair of local networks and, in general, be aware of possible conflicts of interest
- encourage active community members to carry out leadership roles in voluntary and community sector networks
- evaluate the difference made as a result of putting this code into practice, and draw on the results to revise the code as may be mutually agreed by everyone involved
- disseminate knowledge of future policy and its implications to the community sector using appropriate means, for example, newsletters and email

6 Recognition of the need for alternative methods of consultation

Working within a rural context

6.1 There are particular characteristics of community groups in rural areas. They are likely to:

- be generally far smaller in size
- have responsibility for providing more local services than groups in urban areas
- be more involved with other groups within their village or parish, but relatively disconnected from normal networks and structures outside their immediate area

Most rural areas also have an extra tier of local government in town and parish councils, which (within their work) carry out many of the functions of a community association or other neighbourhood forum. A good parish council will:

- represent the needs of its parish
- consult its residents
- promote the use of community planning exercises
- be well connected to wider networks and statutory structures

6.2 There is guidance to local authorities and parish councils in the Quality Parishes Scheme. When using this scheme, the role of parish and town councils in developing local involvement and activity, in advocacy and in connecting to wider networks, is vital.

6.3 Sometimes statutory organisations will use local umbrella organisations as a convenient way of getting involved in the community sector. When this is the case, it is important to make sure they have enough resources, contacts and understanding to carry out this role. Wherever possible and particularly in rural areas the statutory sector should be encouraged to get directly involved with community groups so they can communicate effectively with the sector.

Implications for Black and Minority Ethnic groups

6.4 The community sector contains many small Black and Minority Ethnic (BME) groups. Some are small only because they cannot get access to funding. They may have volunteers covering what should be paid jobs.

6.5 The BME sector has many features in common with the wider community sector, such as not being involved in consultation and partnerships, and there is room for links between them.

Black and Minority Ethnic groups

The BME population in County Durham is small in number, scattered and also culturally and socially diverse.

Numbers are increasing but there are no concentrations of BME groups in rural areas. Most of the households tend to be scattered throughout the county. There are a sizeable number of BME residents in the Durham City area due to a large number of overseas students and their families attached to the university.

County Durham also has ethnic minority visitors, tourists as well as political refugees and asylum seekers. All these groups are vulnerable and often isolated.

The community sector contains faith groups, mother tongue classes, and informal social structures to access leisure activities; university students often front these.

Issues

- Visibility and invisibility: for example problems perceived by local residents, such as asylum seeker numbers, are seen to be an issue so there is visibility. But BME populations are often invisible to local agencies as their presence can be unacknowledged and service providers fail to recognise their particular need.

- Social exclusion and isolation due to a lack of access to community-based networks, social support networks and other 'co-ethnics' (to maintain identity), and a general lack of recognition
- Barriers to accessing services
- Racial discrimination and harassment
- Gap in service provision
- Lack of sizeable groups for consultation
- Inconsistent data gathering
- Lack of infrastructure

Recommendations

- Focus should be on needs and issues/rights-based approach
- Consultation would be more effective through learning events as opposed to meeting with BME groups
- Capacity building funds are needed
- The voluntary sector to work more closely in partnership with Darlington and Durham County Racial Equality Council in order to meet advocacy needs for the wider community
- The voluntary sector to prioritise mainstreaming of the race equality issue

Faith groups

- 6.6 All parties signing up to this code agree that all faith groups in the community should be recognised and their infrastructure resourced as an integral part of the voluntary and community sector, fully recognising their substantial continuing contribution to the building of social capital.
- 6.7 Cultural and linguistic barriers experienced by faith groups (whose members are mainly from Black and Minority Ethnic background) need to be overcome especially by the statutory and voluntary sector organisations who need to actively develop positive strategies to engage with the various faith groups in County Durham and increase their cultural and racial awareness and religious literacy in order to facilitate social inclusion for all groups.
- 6.8 Due cognisance should be taken of the Local Government Association's *'Faith and community:*

A good practice guide for local authorities' (2002) – the recommendations of which should be fully implemented wherever possible. Similarly, full cognisance should be taken of the recommendations of the Home Office Faith Communities Unit's report *'Working Together: Co-operation between Government and Faith Communities'* (2004).

Gypsies and travellers

- 6.9 The term traveller is a generic term that covers a number of minority groups. This term is imposed by those who are not Gypsies or travellers in order to talk about those they think of as being Gypsies and travellers. Some of these groups have a minority ethnic status and some are living or have lived, a nomadic lifestyle.
- 6.10 These include Gypsy Travellers (made up of English, Welsh Gypsy and Irish and Scottish Travellers), fairground families (or show people),

circus families, New Travellers, Bargees and other families living on boats. Each of these communities has its own distinctive lifestyle and tradition.

- 6.11 For all these communities it needs to be recognised that new methods should be explored to deliver consultation in appropriate ways.

7 Local relations and partnership

Representation

- 7.1 Voluntary sector umbrella organisations should encourage wider and adequate representation. Places for community groups should be considered whenever a new partnership is being set up with resources to support involvement and consideration given to the level at which the place is offered, i.e. local or county. Local Strategic Partnerships can be a model for community groups' representation and review their involvement across the whole local partnership structure by:

- reviewing existing partnerships each year for community group membership
- making sure there is adequate financial and administrative support for involvement
- checking that all partners are using systems to answer for their actions

Councils and other local statutory agencies should value community groups being represented to boost outcomes on current projects and to build on local success in the future.

Participation

- 7.2 Working with organisations and networks that have links with different target groups and organisations can allow participation and help local statutory bodies to take advantage of local communities' knowledge. The media can also be used to reach groups that are not in touch with the networks.

Community groups should be made to feel fully included in partnerships and attention needs to be given to openness, mutual respect and helping groups participate from the start of a project.

One way of closing the gap between knowing

how to work in partnership and actually doing it is to make sure that community groups always have the chance to show what they can offer – expertise, contacts and know-how.

Engagement

- 7.3 Community sector involvement in designing and delivering statutory partnership programmes at a local level is a common aim for both new and existing work. This is often an effective way of involving people with first-hand experience of a problem or need, in developing appropriate solutions. However if it is to be achieved, care needs to be taken to:

- raise community groups' awareness so they are able to make sense of the many initiatives that exist
- ensure that community groups have access to the resources for training, information and support so they can take part in the partnership process, and, if appropriate, that they have money up-front for developing project proposals
- give all the relevant community groups the opportunity to be involved, including Black and Minority Ethnic, faith groups, women's groups and disability groups.

- 7.4 Systems for making sure community groups can get involved in particular programmes should be built into procedures. This will help avoid a gap between intentions and actual outcomes. Government and regional government offices should provide a clear lead on this at the start of the process.

Being appropriate

- 7.5 It is important to be aware of which groups may be relevant to a particular issue and to find out what their constituency is and where they get their authority from. At the same time, talking with one group should not leave out others with legitimate interests.

Timescales

- 7.6 When they are consulted community groups need the most time to respond but often get the least because they are at the end of the communication chain. On local issues a minimum five-week consultation period would be appropriate in order to consult effectively.

Language

- 7.7 Language should be simple, clear and accessible. Use of short sentences and examples where possible is advisable so the meaning is clear to everyone.
- 7.8 Break documents into sections and make questions clear and understandable. Avoid acronyms and be aware of lapsing into jargon.
- 7.9 Documentation should be available in the six main identified languages – Arabic, Bengali, Cantonese, Hindi, Punjabi and Urdu.
- 7.10 Different styles of communicating information should be considered e.g. summaries, colour-coded documents, mind maps as well as Braille and audio tapes where necessary.

Process

- 7.11 Particular attention should be given to the most appropriate ways of involving smaller groups who do not get much funding and supporting their involvement. This may include:
 - extending the time for local statutory agencies to consult community groups where possible
 - giving easy access to summaries in community-friendly formats for those consultations with major implications for communities
 - providing clear and accessible summaries of consultation outcomes
 - taking consultation events and processes out to groups, especially those in remote areas, rather than expecting them to travel
 - offering expenses for being part of the consultation process, as well as financing meetings.
 - examining creative and new ways of consulting to avoid consultation fatigue

Feedback

- 7.12 Involving community groups in specialist forums is a good way of continuing to receive feedback on policy. Forums which allow community groups to get involved with each other and with local authorities help increase feedback. These organisations, associations or federations often work alongside or as separate parts of voluntary sector forums. Other local statutory agencies

such as Primary Care Trusts, other local NHS organisations, Learning and Skills Councils, etc, should consider supporting these arrangements.

8 Involvement of community groups in local partnerships

- 8.1 Successful and varied community groups contribute to social unity, help improve quality of life and build a more involved democracy.
- 8.2 The quality of their relationship with local statutory agencies and the support they receive are important issues. At a local level the relationship includes a range of agencies such as the local council, health service and police which need to work together to support the development of community groups so they can succeed.

Local Strategic Partnerships

- 8.3 Local Strategic Partnerships along with Best Value and community strategy are major building blocks for change. The main focus of local government modernisation is the community itself and this means it is an important challenge for local statutory agencies to involve the community effectively and imaginatively. Finding the best ways of doing this should include using the expertise and experience in the voluntary and community sector. Communities need to be properly engaged if modernisation is to be successful.

County Strategic Partnership

- 8.4 In line with the Office of the Deputy Prime Minister guidance (Best Value and Performance Improvement), local authorities should take account of a wide range of interests when assessing and designing Best Value Reviews. They should, for example, include the voluntary and community sector. Similarly, third parties, such as the voluntary and community sector, have an important role to play in providing an external view of reviews by questioning and challenging authorities' approaches to them.

9 Relations and partnership with the local statutory sector

- 9.1 This local community code provides a framework for the relationship between the voluntary and community sector and local statutory agencies. It offers a lever for

improving relations to set up strong and supportive partnerships with local statutory agencies based on mutual respect.

- 9.2 Involving community groups in both the process and the content is vital if this community code is to be successful. If this is not done many of the interests of the sector will be overlooked and the code will not be able to deliver community benefit.
- 9.3 The community sector, voluntary sector and local statutory agencies should all be aware of how relevant this community code is.
- 9.4 The benefits of this community code for community groups may include:
- an increase in awareness of the nature and diversity of the community sector and an increase in communication between local statutory agencies, the voluntary sector and community groups
 - increased working together
 - more effective delivery and evaluation of services as well as better use of resources
- 9.5 To be effective this community code will:
- recognise that community groups have funding, information and support needs that are different from larger voluntary organisations, and identify what these needs are and how they can appropriately be met
 - set out how local statutory agencies should consult, including adequate timescales, so that community groups have a real opportunity to influence local decisions
 - recognise that larger umbrella organisations do not always represent the interests of community groups and set out how local statutory agencies will involve community groups
 - provide for open procedures and agreements in areas such as service planning, to make sure that information reaches all sections of the community
 - provide for monitoring funds managed by voluntary sector umbrella groups (for example, European funds) to make sure they reach local communities
 - identify appropriate systems and procedures

for sorting out any conflict as quickly as possible

10 Public involvement in health

- 10.1 In the area of health, community groups play a number of important roles including service-user advocates or lobbyists, service providers and sharing information about issues such as health and fire safety. Community groups and their membership are as much producers of health as they are recipients of services.

Advice for NHS Trust and Primary Care Trust boards and staff

- NHS Trusts and Primary Care Trusts should be a partner to the local community code and work with the local Compact working group, voluntary and community sector to develop it and keep it up to date.
- NHS Trusts and Primary Care Trusts should take responsibility for signing up to the local Compact and codes and work within their remit. (This helps achieve the patient and public involvement targets in the annual business plan.)
- Start regular joint reviews to measure the current and possible health role and contribution of local community groups.
- Consider budgets and programmes that can fund or support community involvement to help achieve the organisation's goals.
- Identify specific posts within the NHS organisation that can monitor, encourage and support community involvement and volunteering. These could be community development, public involvement and volunteer service management posts.

Service users

- 10.2 Local health and disability groups are vital sources of expertise on their specialist subjects such as Parkinson's disease, HIV and Aids, Muscular Dystrophy, sickle-cell anaemia and improving physical access.

Carers

- 10.3 One in seven people provide unpaid care to their relatives, friends and neighbours. Many provide care day and night, seven days a week with the majority of carers taking on this role

out of a sense of love, commitment and duty. Carers are a vital source of knowledge for both health and social care services and their expertise is invaluable in the planning of future services.

10.4 As partners in health care, carers and service users should be an integral part of consultation and involvement.

11 Members and officers of the statutory bodies

11.1 Local statutory organisations should prioritise developing relationships with community groups and explain clearly to them why they are important to the organisation. Statutory bodies need to understand community groups and how elected members and staff at all levels should communicate with them and involve them.

11.2 Some community of interest groups feel left out from one-to-one contact because their single policy issue may not be on their council's agenda. It is still important for some contact to be maintained because the community group may be picking up an issue that the local authority itself should be tackling or may have to tackle in the future. Regular contact helps identify issues communities are concerned about and can also highlight unexpected ways of helping them.

11.3 For some community groups getting recognition from the local council and other statutory bodies is valued and can help them develop their work. This is further enhanced where local authorities and other statutory organisations have a designated officer who is available to liaise with community groups who are struggling to find the right contact or to get a response and to support them in building relations with the community sector.

The main questions for members and officers of statutory organisations

- Have you identified how working with local groups enriches and can benefit the organisation in achieving its aims?
- How well do you understand local groups and respect their independence?
- How does the organisation recognise the contribution of small unfunded groups?

- What ways can the organisation seek to build the relationship with them?
- Is there a publicly accessible local database of community groups across the authority area?

Action points for statutory organisation members and officers

- Provide training jointly with the local community sector and other agencies on understanding and partnership working with each other.
- Community leadership roles of elected members and non-executives should be further developed and support provided to maintain and sustain good relationships between elected members, non-executive members and community groups.
- When consulting try to involve all communities in ways that lead to involvement and develop a greater sense of ownership, responsibility, pride and recognition.
- Before taking decisions or during the scrutiny process ask how proposals will affect community groups.
- Specifically tackle funding and support needs and involve community groups in Best Value reviews of the voluntary and community sector and in local Compact development work.
- Consider using some of the Audit Commission's Quality of Life indicators for community involvement to measure the statutory organisation's performance, or adapt them to reflect the needs of the local area.

12 Using the code

12.1 This County Durham community code has been drawn up after consultation with community groups and has been agreed by the partners and therefore all partners are strongly committed to ensuring compliance with the code.

12.2 This code of good practice will be used to set up and improve relations between local statutory agencies and the community sector.

12.3 It is to make sure that genuine recognition is

given to the diversity of the community sector and its activities.

- 12.4 This code covers local statutory agencies and the voluntary and community sector of County Durham.
- 12.5 There should be an annual meeting between local statutory agencies and the community sector to review how the local community code is working and developing. The result will be included in the report of the meeting.
- 12.6 Local statutory agencies and the voluntary and community sector should be aware of the need to build confidence among community groups that this code will be followed.
- 12.7 The development of action plans to follow the guidance in this code will be the responsibility of individual statutory agencies and the range of voluntary organisations and umbrella organisations working in partnership with the community sector.
- 12.8 If good practice as advised in the code is not followed then there must be clear and quantifiable reasons for not doing so which are agreed by all partners.
- 12.9 The Compact Working Group will put this code into practice with the support of local umbrella organisations such as councils for voluntary services, rural community councils and volunteer bureaux and other relevant organisations.
- 12.10 The community code working group and local statutory agencies will work together to promote awareness and use of this code among everyone it is relevant to by:
 - general sharing and promotional activities and events
 - targeted campaigns with funding for community groups to raise awareness of the code
 - monitoring and reviewing how it is used
 - including its terms in the local Compact guidelines and user guidance

13 When things go wrong

What to do

- traditional complaints procedures (including writing to an MP)
- mutual resolution
- mediation – a national pilot mediation scheme is being run by the Centre for Effective Dispute Resolution (CEDR). Contact **www.cedrsolve.com** or call 020 7536 6060. A document on the scheme can be downloaded at **<http://www.cedrsolve.com/index.php?location=/casestudies/schemes/compact.htm>**
- writing to the Parliamentary Ombudsman (where behaviour constitutes maladministration) or the health or local ombudsman. Contact Parliamentary and Health Ombudsmen on: **www.ombudsman.org.uk** (0845 015 4033). Local Ombudsman: **www.lgo.org.uk** (0845 602 1983)
- feeding comments into the annual meeting (usually held in April) between government ministers and the Compact Working Group, which reviews the operation of the Compact and reports to Parliament

Who to contact

One Voice Network Secretariat, The Knoll, Granville Terrace, Wheatley Hill, County Durham, DH6 3JQ. Tel: 01429 823 067.

Email

onevoicenetwork@onevoice.co.uk

What help is available

For further understanding or clarification of any part of the County Durham Community Code check the One Voice Network website at www.onevoice.co.uk and click on Compact.

Alternatively contact your local Council for Voluntary Services.

In addition to those dispute resolution methods outlined in the Compact, NCVO operate a Compact Advocacy Programme (www.ncvo-vol.org.uk/compactadvocacy) for voluntary and community organisations who believe that the national Compact has been breached or not met in spirit. NCVO offer a range of support options including a Compact breach survey for voluntary and community organisations.

Local Compact groups are encouraged to adapt CEDR guidelines. A number of groups have already introduced tailored mediation schemes including Hampshire (Mediation and Conciliation Scheme) and Newcastle. Newcastle's Procedure for Resolving Local Compact Disputes can be viewed or downloaded at <http://www.gov.uk/compact/docs/newcastle-procedure-for-resolving-local-compact-disputes.pdf>

GLOSSARY

Advocacy

Giving a voice to people's options, views and concerns.

Best Value

This replaces compulsory competitive tendering to achieve continuous improvement in the way services are delivered, taking account of economy, efficiency and effectiveness.

Best Value applies to all local authorities as well as authorities like the national parks, the police and fire authorities.

BME

Black and Minority Ethnic.

Capacity building

There are broadly four different kinds of capacity (ability):

- organisational capacity
- technical capacity to deliver specific services
- infrastructure capacity
- community capacity

(HM Treasury 'Cross-cutting review of the Role of the Voluntary and Community Sector in Service Delivery' 2002)

The working definition of capacity building is:

'Empowering activity that strengthens the ability of voluntary and community organisations to build their structures, systems, people and skills so that they are better able to:

- define and achieve their objectives
- engage in consultation and planning
- manage projects
- take part in partnerships, social enterprise and service delivery.'

('Building Community Strengths' by Steve Skinner, 1997)

Civil renewal

In his comments at the launch of the Institute for Public Policy Research (IPPR) publication 'Making Sense of Community' (January 2003), the Home Secretary defined civil renewal as a way:

'to empower people in their communities to provide the answers to our contemporary social problems.'

Community

'Community is a deeply evocative and often nostalgic term that is linked to images of belonging and attachment to others within a locality – the glue that binds a society together. But there is no single model, or definitions, of community – communities are as diverse as their members or residents, which is one of their key strengths. And any one individual may be a member of several different communities, based on geography, politics, faith, ethnicity, social interaction, and cultural interest.' (Community Self-help – Policy Action Team 9 Report, 1999)

Community capacity building

Activities, resources and support that strengthen the skills and abilities of people and community groups to take effective action and leading roles in developing their communities.

Community cohesion (inclusion and integration)

A cohesive community is one where:

- there is a common vision and a sense of belonging for all communities
- the diversity of people's different backgrounds and circumstances is appreciated and positively valued
- those from different backgrounds have similar life opportunities
- strong and positive relationships are being developed between people from different backgrounds in the workplace, in schools and within neighbourhoods.

(LGA Guidance Community Cohesion Unit)

Community leadership

The main goal of community leadership is to help local people to take responsibility for and pride in their communities, and to work together to create lively, confident and lasting communities. Community leadership is about encouraging local people to take responsibility for managing and improving their own community assets. Communities are rich in culture and history and have excellent

foundations for the future. Community leadership is all about achieving the full potential that already exists here. It is different from the community leadership role that local authorities have.

Three different aspects of leadership may be particularly important in the context of community capacity building.

- Working with, and how to involve people
- Developing and putting into practice projects and services, including developing and encouraging business
- Representation, advocacy and governance, for which a strong sense of accountability is central

Community of place and community of interest

Community has tended to be associated with two main aspects – a shared local area or geographical place, or shared interests based on some type of identity or some common issue of concern.

Community ownership

Community groups taking control and responsibility for their own assets, such as, premises, vehicles, equipment and environment.

Community self-help

'Self-help is an end in itself, as well as a means to an end. It is at the core of the empowerment of communities – whether through owning or running assets of their own, or through the acknowledgement of public authorities that local communities may be the best people to judge what is in their best interests. It is about involvement and consultation, but also about moving towards self-sufficiency. It is, in its purest form, about communities shaping their own destiny. Doing, not being done to'. (Community Self-help, Policy Action Team 9 Report, 1999)

Community strategy

By law, all local authorities must prepare a community strategy to promote or improve the economic, social and environmental well-being of their areas. 'The preparation process will be the means by which local people and organisations can be drawn into democratic

decision-making ... The key to an effective community strategy will, therefore, be successful partnership working and community involvement throughout the process.'

(DETR, now the Office of the Deputy Prime Minister (ODPM), 'Preparing Community Strategies: Draft Guidance to Local Authorities', June 2000)

Departmental Senior Official Champions

These senior-level government officials have responsibility for overseeing how the Compact and the Treasury cross-cutting review recommendations for their departments or agencies are put into practice.

Diversity

Commitment to value, celebrate and acknowledge the contribution to the community made by all the people of County Durham.

Governance

Governance has many meanings.

- In relation to a local area or society in general, governance refers to the process where certain people have power, authority and influence, who put into practice policies and decisions concerning public life and economic and social development. It is more than government, including interaction between formal institutions and those of civil society.
- The governance of an organisation or group has a more specific meaning and has been described as the 'overall guidance, direction and supervision of the organisation', making sure that it acts in line with its constitution and legal identity. It is most often used in connection with the role of management committees or boards.

Infrastructure

Voluntary and community organisations (VCOs) that play a supporting, co-ordinating, representation, policy-making and development role for other voluntary and community organisations.

- Local Voluntary and Community Sector infrastructure organisations are sometimes called 'second tier' because they provide support and services to a range of 'first tier'

VCOs that deliver services. Regional and national infrastructure VCOs are sometimes called 'third tier' because they provide support and services to second tier VCOs.

- Infrastructure VCOs sometimes provide support and services to 'communities of interest' or 'sub-sectors' across geographical areas. Examples include the National Council for Voluntary Child Care Organisations and Age Concern and many others such as VCOs for disabled people and Black and Minority Ethnic (BME) communities. However, the basic definition for infrastructure is still valid for these VCOs.

LGA

Local Government Association

Local umbrella organisations

These include councils for voluntary service, rural community councils, volunteer bureaux and similar organisations.

Local Statutory Agencies

These include local authorities (councils), the police, fire services, social services, Primary Care Trusts, NHS organisations, Learning and Skills Councils, the Inland Revenue, and parish councils.

(Although parish councils are statutory organisations, they also carry out the function of a local neighbourhood or community forum. This is the characteristic that is relevant to using this code in governing relationships with local statutory agencies.)

LSP

Local Strategic Partnership. An LSP will typically include local representatives from public services, local businesses, voluntary organisations, community groups and residents. The members will jointly work to deliver effective core services and set out a vision for the future.

Match funding

Funding that is found by groups to match, pound for pound, the size of a grant that has been offered by a funding organisation. It is

often a requirement to qualify for grant approval.

Mutuality

Standing in relation to each other to give support for a cause or an issue.

Planning for Real

A system used by community development organisations to encourage local residents to design what they want their neighbourhood to look like and the services they would expect to see provided to give a better quality of life. (including their homes, environment, employment opportunities, personal safety, schools, transport, open space, leisure and recreation).

Sessional workers

Experts who support an organisation or a group by conducting training and advice-giving sessions.

Small Grants Action Plan

This is an action plan, agreed across government, to deliver government small-grant programmes cost effectively and in a co-ordinated way, and to make sure they reach the community groups they are targeting.

Social capital

The UK Government has formally adopted the Organisation for Economic Co-operation and Development (OECD) definition of social capital as:

'networks together with shared norms, values and understandings that facilitate co-operation within or among groups.'

Sustainable

Having the resources to last and develop.

Statutory structures

Central and local government departments and local statutory agencies.

