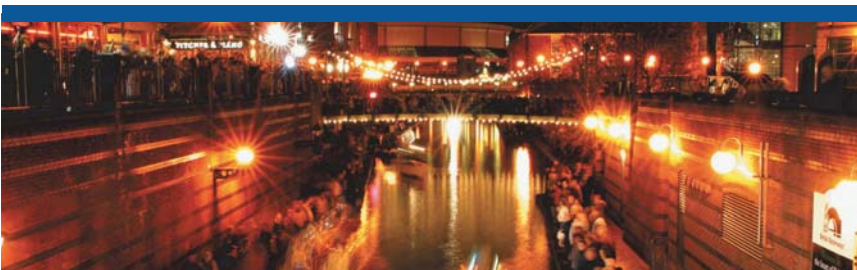


# The Birmingham Compact



A framework for relations between the Birmingham Strategic Partnership and the Voluntary and Community Sector



January 2006

In 1996 the Deakin Commission on the Future of Voluntary Sector called for a formal agreement to improve their relationship with Government. A National Compact was published in 1998 ([www.thecompact.org.uk](http://www.thecompact.org.uk)). This has encouraged Local Strategic Partnerships to produce their own local statement of the relationship with the Statutory, the Community and the Voluntary sector.

The Birmingham Strategic Partnership (BSP) board endorsed its Compact in principle in April 2004. Extensive consultation took place within the community and voluntary sector. The Birmingham City Council cabinet gave its commitment in November 2004. The BSP board agreed that the Compact should have the status of a partnership statement in July 2005. In October 2005 the Compact was additionally signed by those member organisations that have a funding relationship with the community and voluntary sector.

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## FOREWORD

We are pleased to introduce to you *The Birmingham Compact*, the positive result of a period of significant partnership work by a number of key strategic agencies in the city.

*The Birmingham Compact* represents the collective commitment of the Birmingham Strategic Partnership to nurture a new relationship between the statutory and community and voluntary sectors in the city. It commits all partners to an ongoing process of working together to develop and strengthen communities, and of working to remove barriers to the growth of the community and the voluntary sector.

Birmingham has a vibrant and vocal community and voluntary sector. This compact enshrines the belief that the sector makes, and will continue to make a valuable and integral contribution to improving the quality of life in our city.

In particular, its purpose is to enable community and voluntary groups to address social need. The Birmingham Strategic Partnership's aim in agreeing the Compact is to ensure that the sector is enabled to play this role to the full.

The Birmingham Strategic Partnership has recently appointed a Compact Champion who will be drawing up an action plan to be published on-line as soon as possible.

This document and partnership activity represents an ongoing commitment which will bring real benefits to the citizens of Birmingham, and we are pleased and proud to sign up to it.



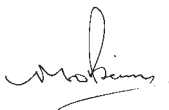
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# 1 INTRODUCTION

## Background

*This Compact constitutes an agreement between the Birmingham Strategic Partnership (BSP) and the Voluntary and Community Sector in Birmingham. It represents a collective commitment on the part of BSP members to establishing a new relationship between the statutory and voluntary and community sectors in the city, and to monitoring the quality of that relationship through an annual review of the Compact.*

The Compact is a direct outcome of the work undertaken by the Birmingham Voluntary and Community Sector Commission and the five thematic groups established to take forward issues identified by the Commission. The reports produced by the Commission and the thematic groups are the primary sources for

the Compact. These reports contain a great deal of important contextual information and analysis of critical issues. It is not the role of the Compact to repeat or summarise this material, but it is material that will need to be drawn on as the Compact itself is implemented.

The development of the Birmingham Compact has to be seen in the context of the creation of the National Compact and its various codes. There is a history here, with distinct Birmingham connections, going back at least to the Deakin Report of 1996. The principles elaborated then, envisioning a new relationship between Government and the voluntary sector, and subsequently re-worked in the National Compact, are an important influence on this draft document. In many ways, the Birmingham Compact reflects the spirit of the

national agreement whilst being shaped to meet local needs and issues.

## Purpose

*The core purpose of the Compact is to provide an agreed mechanism for responding to the recommendations of the Commission and the thematic groups. To this end, the Compact provides a framework within which the relationship between the statutory and voluntary and community sectors in the city can be developed and strengthened. Moreover, it provides a means of placing community cohesion and anti-racism at the heart of that relationship.*

The framework contains both statements of values and principles that are shared between the two sectors, and commitments to action that will translate those values and principles into a set of constructive processes and practical arrangements. If the future development of the relationship is

viewed as a journey to be undertaken together, then the Compact offers both a collectively agreed sense of direction and the identification of a number of specific milestones that need to be reached. It does not, and cannot, however, provide a final and definitive plan for the journey: a number of the issues and recommendations emerging from the work led by the Commission remain unresolved. This is why the notion of the Compact as a 'framework' is important - it provides a mutually agreed structure for action within which those issues can be explored further and a resolution sought.



## Status

*The Compact is a voluntary agreement; it does not have any legal or contractual status. It does, however, embody both a moral commitment to its successful development and implementation by all the parties who are signatory to it and a legitimacy that derives from the collective ownership of the review processes that gave rise to it.*

Accountability for developing and implementing the Compact rests with the BSP. The Compact will be subject to an annual review by the BSP Secretariat, which will include progress against commitments made by the BSP.

## 2 VALUES AND PRINCIPLES

*Many of the values and principles that this Compact seeks to promote and develop are integral to the five themes considered below under 'Commitments and Actions'. However there are a number of overarching values and principles that shaped the work of the Commission and that must also underpin the framework for action offered by the Compact:*

- o *The Public Good*
- o *Pluralism*
- o *Interdependence of Sectors*
- o *Diversity and Difference*
- o *Social Inclusion and Community Cohesion*
- o *Equality of Opportunity*
- o *Openness and Accessibility*

### The Public Good

The Compact is grounded in the belief that both the statutory and the voluntary and community sectors in Birmingham are fundamentally committed to the

enhancement of the public good. That is, the goal of both sectors is the continuing improvement in the personal, economic, social and cultural well-being of all citizens of Birmingham.

### Pluralism

The Compact is further grounded in the recognition that achieving the goal of enhancing the public good requires a plurality of means and methods. Each sector brings to bear its own range of approaches with their distinctive strengths and advantages, drawing on distinctive types of resources. None of these approaches is inherently superior to any other. Thus the Compact covers a spectrum of approaches to improving well-being, including, for example, issue-based advocacy campaigns and statutory service provision, and activities funded from general taxation and those resourced by voluntary effort.

## Interdependence of Sectors

The Compact acknowledges that the statutory and voluntary and community sectors are interdependent; that the contributions of both sectors are necessary to the achievement of their shared goals in relation both to service delivery and community engagement; and that neither can function fully effectively without the other. This does not conflict with the requirement that the formal independence of the two sectors from each other be recognised and reinforced.



## Diversity and Difference

The Compact recognises that one of the great strengths of Birmingham is its diversity of peoples - a diversity of beliefs, lifestyles, cultures and resources. The accommodation of this diversity within the identity of 'one city', whilst simultaneously recognising and celebrating difference and accommodating the changing demographic and ethnic profile of the city, is a key part of Birmingham's future development to which this Compact is a further contribution. There is an urgent need, for example, to develop a shared view on 'race', 'ethnicity', 'faith' and 'culture' and how they relate to each other, as the foundation for a robust cross-sector response to race equality objectives.

## Social Inclusion and Community Cohesion

The Compact assumes that the objective of creating a socially inclusive and cohesive city is implicit in the overall goal of enhancing the public good. In other words, both the statutory sector and the voluntary and community sector individually and collectively should be working towards outcomes of inclusion and cohesion within and between different communities. A large proportion of the population live in neighbourhoods experiencing multiple deprivation, and this particularly affects ethnic communities. The Compact is therefore part of a joint agenda of 'flourishing neighbourhoods', and, in promoting a mutually supportive and constructive relationship between the two sectors, is itself an important indicator of socially inclusive and cohesive processes.

## Equality of Opportunity

The Compact is based on a fundamental commitment to equality of opportunity for all citizens and communities in the city. This commitment must be reflected in the evolving policies and practices that are associated with the activities of the two sectors, for example, in the promotion of and adherence to best practice and equal rights in employment, volunteering, funding arrangements, consultation and decision making, and service delivery. The commitment also embodies the explicit determination to avoid policies and practices that are discriminatory in their impact. This means taking specific steps to ensure that appropriate resources are available to Black and minority ethnic organisations and community groups, and to other organisations and groups throughout the sector, so that they are equipped to play a full and effective role in partnership activities, consultation processes and decision making forums.

## Openness and Accessibility

The Compact will only be successful in its aims if the structures and processes it generates reflect the above principles by being fully open and accessible. This includes the need for an active commitment to better information and data sharing between sectors and agencies, and to allowing appropriate time and space for consultation on policy proposals. There must be a recognition that consultation within the voluntary and community sector is complex, given the absence of any fully representative organisations or forums. The process of developing and implementing the Compact should thus be an opportunity for both testing and exemplifying the values and principles listed above.



## 3 COMMITMENTS AND ACTIONS

*This section sets out the principal steps that will be taken to address the specific issues raised in the reports of the Commission and the thematic groups. It is organised around the same five themes that provided the subject matter for the thematic groups:*

- o *Governance*
- o *Black and Minority Ethnic Issues*
- o *Partnership*
- o *Funding*
- o *Commissioning*

### Governance

At the heart of the issue of governance are relationships of ownership and power, both within and between sectors. Three preliminary points need to be made in respect of this:

First, the Compact must operate on the principle that the governance of the voluntary and community sector is independent from the statutory sector. The distinctiveness and value of the voluntary and community sector's contribution to public well-being and to an effective civil society is, to a substantial extent, the result of its independence from the priorities and constraints that shape statutory sector activities. Despite pressures to position the voluntary and community sector as an additional delivery vehicle for public services - and therefore, in effect, as a 'junior partner' of the statutory sector - it is vital to maintain and strengthen the formal independence of the sector if the principles outlined above of pluralism, diversity, social inclusion, community cohesion and equal opportunity are to be realised.

Second, however, it is clear that the service delivery roles of the voluntary and community sector are becoming ever more important. The Treasury's Cross-Cutting Review on the Role of the Voluntary and Community Sector in Service Delivery re-emphasised the sector's crucial role in planning and shaping services and the need to build both capacity and infrastructure if the sector is to flourish. The parties to the Compact recognise that voluntary and community organisations should be able to access the support they need in order to fulfil their potential. This issue will be further explored in the light of the Change-up process

Third, the development and implementation of the Compact has to take account of the fact that the structure and organisation of both sectors is constantly changing. In particular, there is a need to recognise that the statutory sector is undergoing a significant process of restructuring. This is happening horizontally, through processes of amalgamation and integration

across agencies and disciplines, for example, the drawing together of health and social care services under new governance and management arrangements; and it is happening vertically, as new tiers of governance are established, for example, the strengthening of regional levels of government and the creation of localised, devolved structures in the city. All these processes have an inevitable effect on relationships between the statutory sector and the voluntary and community sector, and on the latter's own governance arrangements.

In the conclusions and recommendations of the Commission, the topic of Governance was considered under three headings:

- o The internal governance of voluntary organisations and community groups
- o Wider civil governance issues
- o The role of the Voluntary Sector Forum.

*In practice these sets of issues overlap considerably and this is reflected in the actions to be taken forward via this Compact:*

- (i) The Birmingham Strategic Partnership recognises that there are significant problems relating to the recruitment and retention, training and development, and rewarding of members of voluntary and community sector governing bodies. In response to these issues, it is agreed that:*
  - o A feasibility study should be undertaken to establish the viability of a central register, with supporting resources, of volunteers to fill vacancies on governing boards;*
  - o Proposals should be developed that will enhance existing city-wide resources to support capacity building - including skills training, understanding of policy issues, resource management, etc - within the voluntary and community sector (and this is an issue for*

*consideration also at regional level). This might also include the development of secondments or short-term placements between sectors. These proposals must take account of the current initiatives to build voluntary sector infrastructure being developed in partnership by Birmingham City Council, GOWM and BVSC under the auspices of the BSP.*

- (ii) The idea of a 'Think Tank' for the voluntary and community sector in Birmingham (or the region) is supported in principle. This would undertake a research and policy development role on behalf of the sector, generating and promoting innovation and supporting the participation of organisations and groups in strategic development work. This is seen as an important step both in re-energising the sector to enable it to meet the challenge of changing demands and circumstances and in redressing the imbalance*

*that is often apparent between the policy and strategy capacity of the voluntary sector and that of the statutory sector. Work is needed to refine the remit of such a body and to identify means of resourcing it, recognising that funding and support will be required from a variety of partners and funders.*

- (iii) All the partners to the Compact should work towards replacing the existing Voluntary Sector Forum with a more effective process for consultation, dialogue and debate between sectors and agencies on issues of mutual concern and interest. Stronger communication networks are required within the voluntary and community sector, but there is a further need to agree a means of formal dialogue with the statutory sector bearing in mind the development of devolved partnerships and the overarching role of the BSP itself. This is an issue for further discussion.*



## Black and Minority Ethnic Issues

Recognition that Birmingham is an ethnically diverse city and that a wide range of groups and organisations have developed to respond to the particular needs of different ethnic communities is one of the foundations of this Compact. The overall approach that should be adopted in developing the Compact with regard to Black and minority ethnic issues must be shaped by the values and principles set out above; in particular, the

Compact should be seen as key vehicle for eliminating racist discrimination, promoting community cohesion and championing equality of opportunity.

*Specific actions to be taken forward from the Commission's work are:*

- (i) All agencies should move away from the assumption, on which many working practices are based, that there is an identifiable 'BME voluntary sector' with a common set of values, interests, understandings of ethnicity and ways of operating. This assumption both enhances the separation of the 'BME sector' from 'the mainstream', and undermines the principle of diversity. A draft Assessment Framework has been developed by Birmingham Race Action Partnership (b:RAP) to assist in categorising organisations more constructively in terms of*
- their aims and purposes rather than simply by their ethnicity; further work is required to develop and test this approach, and resources will need to be identified for this purpose.*
- (ii) The governance issues identified in the previous section are wholly relevant to the needs of Black and minority ethnic organisations. This means that all the actions proposed there - and particularly the development of new institutions such as the Think Tank and the replacement for the Voluntary Sector Forum - must be fully open and accessible to BME organisations: the capacity building and infrastructure development needs of these organisations must be met through mainstream voluntary and community sector processes, not through a separate, specialised development agency.*

- (iii) Similarly, those organisations (from either sector) who are substantial providers of capacity building and developmental support should seek to meet the needs of BME organisations through their own mainstream provision and not through separate initiatives.*
- (iv) Where BME organisations are involved in wider community engagement processes, this should be developed on the basis of their expertise in specific issues or services rather than on assumptions about their 'representative' relationship to particular ethnic communities.*

## Partnership

The proliferation of partnership working in recent years, frequently as a direct requirement of government policy, has been - and is - a major challenge for both the voluntary and community and statutory sectors. It is particularly

demanding for voluntary and community sector organisations, which generally lack the infrastructure and resources to support effective involvement in partnership activities. Moreover, the purposes for which partnerships are formed, their funding mechanisms and their accountability structures tend to be defined in ways that marginalise voluntary sector partners and disempower them in relation to statutory sector partners.

*For these reasons, the actions set out above for strengthening the governance capacity of the voluntary and community sector should have a significant impact on the partnership issue. Further actions appropriate to this Compact are:*

- (i) A review should be undertaken of the appropriateness, relevance and effectiveness of the range of partnerships that currently exist, with a view to reducing their number by merging some and terminating others.*

*(ii) Partnerships that continue to exist, and any new ones that are created, must be explicit about their role and purpose, the nature of any voluntary and community sector involvement and the strategy they will adopt for communicating with both local communities and other organisations.*

*(iii) Voluntary and community sector engagement in partnership working should be supported and facilitated by a range of intermediate or development agencies. These would operate at local levels to share good practice, develop support networks, build capacity of community groups and work with statutory agencies to enhance local engagement and planning of services.*

## Funding

Questions around how the voluntary and community sector should be funded, and what those funds should cover, go to the core of the issues of ownership and power referred to above. The Compact recognises that traditional funding practices - usually short-term and/or competitively based - are instrumental in maintaining the sector in a subordinate relationship vis-à-vis statutory sector funders. There is therefore a commitment in principle to develop a common approach that delivers secure medium-term funding and that addresses the requirement for core funding of organisations.

*The Compact will enable the following actions to be taken forward:*

*(i) Detailed proposals should be developed, drawing on the discussion and recommendations in the Commission's reports, elements*

*of the ACEVO's core costs model and the NCVO/Home Office good practice code, with the aim of:*

*establishing a three year funding cycle for most voluntary and community sector service delivery activities in return for high levels of performance, but allowing also for short-term funding of pilot projects;*

*providing for a full-cost recovery model of funding, suitable for circumstances in Birmingham and recognising the likely distributive impact of the model given lack of growth in overall available funds; creating a 'corporate gateway' approach to simplify access to funding from statutory agencies, generating harmonization of application processes, monitoring and quality control.*

*(ii) Individual statutory sector agencies should develop clear corporate strategies for voluntary and community sector funding, within the context of the overarching approach implied in (i) above. Individual agencies should ensure consistency of approach across all departments/divisions of their organisation, so that the process is characterised by the principles of transparency and equality of opportunity.*

## Commissioning

The increasing trend, vigorously promoted by central government, for voluntary and community sector organisations to take on major responsibilities for public service delivery means that 'commissioning' becomes a core process through which the relationship between the statutory and voluntary and community sectors is mediated. The rapid growth in service commissioning places considerable demands on

both sectors for skills in contract negotiation and management and for transparency of approach.

Many of these needs within the voluntary and community sector would be met through the capacity building and infrastructure development initiatives proposed above.

*Within the statutory sector the needs are rather different, and specific actions proposed to improve the statutory sector commissioning process - in addition to those noted under 'Funding' - are:*

- (i) The creation of greater clarity, transparency and consistency in commissioning processes on the part of both statutory partnerships and individual statutory agencies. This requires the development and publication of appropriate protocols and standards that define those services that are subject to commissioning; and describe in detail the commissioning process,*

*including the contracting, funding and monitoring arrangements.*

*Commissioning can then be related effectively to the purchase of services based on priority, capacity to deliver, service specification and agreed quality standards.*

- (ii) Commissioning processes will define additionality in accordance with the principles of this Compact, with actions deriving from the work on Black and minority ethnic issues and the longer term support needs of the voluntary and community sector.*



Responsibility for resolving any disputes arising from the provisions of this Compact should rest with the BSP Secretariat in the first instance. However, consideration should be given to whether a further mechanism is required to provide the process of conflict-resolution and mediation that was identified as a need in the course of the Commission's work. Different models can be identified to meet this need, some of which are referred to in the Commission's reports, for example, the establishment of a 'Voluntary Sector Ombudsman'. An early report to the BSP should recommend a way forward on this issue.

## GLOSSARY OF TERMS USED

**Birmingham Strategic Partnership** - this is the Local Strategic Partnership for Birmingham, comprising agencies from the private, public, voluntary and community sectors, with responsibility for providing strategic leadership in the city.  
[www.bhamsp.org.uk](http://www.bhamsp.org.uk)

**The Commission** - the Birmingham Commission on the Voluntary and Community Sector, published its independent report on the development of a strategic approach to relations between the statutory, voluntary and community sectors in November 2002. Five thematic groups contributed to the final outcome of the Commission. The Commission's reports are available at [www.bvsc.org](http://www.bvsc.org) or [www.birmingham.gov.uk](http://www.birmingham.gov.uk)

**The National Compact** - this is an agreement that provides an overall framework for relationships between national government and the voluntary and community sector. Details are available at [www.thecompact.org.uk](http://www.thecompact.org.uk)

**The Statutory Sector** - comprises all those local, regional and national agencies with statutory responsibilities for the provision of public services.

**The Voluntary and Community Sector** - comprises all those non-governmental organisations and groups operating on a not-for-profit basis to meet city-wide and local needs through advocacy, campaigning and/or provision of services.

birmingham strategic partnership

