

Stronger independence, Stronger relationships, Better outcomes

*Report drawing on a Local Compact Voice survey
conducted for Local Sector Independence Day,
4th July 2007*

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Section A – Overview

(a) Why is the local sector's independence so important?

The independence of local groups is crucial to:

- their distinctive contribution to the community
- the performance of local public bodies across the whole community agenda – engagement, involvement, cohesion, place-setting.

At a time of increasing pressure on public services and budgets it is especially important that independence fuels voluntary and community activity to deliver better outcomes. Independence can fuel public service transformation too. With virtually every area in England now covered by a Local Compact that contains commitment to the sector's independence, public bodies should recognise and value the positive impact of this independence and ensure that it flourishes.

(b) Purpose of this report

There has not been a sufficient evidence base to support debate and action on strengthening the independence of local groups. This report seeks to frame the debate by identifying issues and concerns and to encourage specific action. It draws on a survey of 106 Local Compact Voice members covering 124 or almost one-third of English local authority areas. (See the appendix for more on this network and survey methodology.) The survey was prompted by concerns reaching Compact Voice and has confirmed that those who responded tend to identify a range of independence problems within their localities. For these areas, the call to strengthen the local sector's Independence may well be apt but, given the limitations, this survey has only taken the pulse, leaving it unclear just how widespread and how deep these concerns may be across England. Certainly, Compact Voice will follow this up in the coming year.

Undertaking by Government in the national Compact

To recognise and support the independence of the sector, including its right within the law, to campaign, to comment on Government policy, and to challenge that policy, irrespective of any funding relationship that might exist, and to determine and manage its own affairs.

(c) Headline Findings

The box shows the percentage of respondents reporting the 6 most critical independence problems.

59% say local public bodies are not demonstrating they understand independence

46% say groups find it a struggle to represent their users and be heard

69% say funded groups fear campaigning will affect their future funding

24% say groups feel there is unwarranted interference in their internal affairs

65% say there are council appointees on trustee boards of funded groups

35% say the council selects sector representatives on partnerships

(d) Significance of the findings

The survey results are reviewed in more depth in the main body of this report (Section C) and raises the question whether local independence is being compromised on a large scale and across a broad range of issues. If so, then there is a need to look into how this is affecting the distinctive contribution that the sector can make to the community and the impact on local public bodies delivering the whole community agenda

With 70% of the sector working at local level and many national voluntary organisations doing business with local public bodies, the question arises whether the independence of the sector as a whole being may be more at risk than is generally recognised. Another question which the survey did not go into whether individual groups in many areas are experiencing a combination of threats to their independence. Such threats are not new but there is little evidence of these being managed through Local Compacts.

65% of respondents report a gap between what their Local Compact says on independence and what happens in practice. **90%** report that it makes some difference but can this be enough in the context of LAAs and partnership growth, local government reform, boosting the sector's public service delivery role and the erosion of grants? In only a minority of areas covered by the survey, public bodies have a reasonable understanding of sector independence. But far fewer may realise why it is important for them or how it can help turn common purpose into better outcomes.

Government's commitment in the national Compact is to support the independence of the whole sector, including at local level where most of the sector works. Many national voluntary organisations have local organisations in membership or direct relationship through grants and contracts with local public bodies. They too have an interest in how sector independence plays locally.

The sector should consider whether it is being a sufficiently pro-active partner in working with government to create better conditions for local sector independence to thrive. In particular, securing funding for Local Compact implementation is long overdue. Opportunities include frameworks such as for local area agreements and passed down funding under government programmes distributed by local partnerships. Taking such opportunities would be consistent with the strong championing of sector independence in the speeches of ministers.

(e) Taking it forward

The survey is a starting point for joint discussion at local and national level. The foundation has already been put in place. This includes a window of opportunity created by Compact Voice in calling for 4th July to be Local Sector Independence Day throughout England when local issues can be identified for action and campaigning celebrated. It has also led to councils and the sector getting together at the event on 4th July for the launching of this report and discussion of the findings.

At local level, then, what are the questions and actions which local public bodies and groups can consider if they wish to look into strengthening the local sector's independence?

Questions

Questions that could be resolved through joint discussion

- ▶ What needs to be done to enable the sector to be more effective in safeguarding its independence and exerting its right to campaign?
- ▶ What changes would local public bodies need to make to create conditions in which the sector's voice is respected and valued?

Questions for councils to consider jointly with the local sector

- ▶ To what extent has a Compact way of working together been established?
- ▶ How can the participation experience be improved?
- ▶ How do we rate as a listening and accessible council and what can be done to facilitate groups in representing users, being heard and having confidence that challenging and campaigning will not put their future funding at risk?

Issues and action

Issues and action for Local Compact Groups to consider

- ▶ Plan Local Sector Independence Day activities with partners for 4th July every year to strengthen the sector's independence and celebrate campaigning
- ▶ Discussing independence and asking the scrutiny process to look at it too.
- ▶ Including independence in the Compact action plan, review and evaluation and in local relations polls by adding a question to the polling forms.

Issues and action for local public bodies to consider

- ▶ Training, especially for councillors, commissioning and procurement officers and middle managers, should cover the Local Compact and sector independence.
- ▶ Checking whether members and officers are sufficiently aware of opportunities for boosting joint campaigning and lobbying and for the need always to take care that there is genuine common purpose and to avoid pressuring groups.

Action list for partners in every local area

Which of the following actions should be taken in your area to bolster the sector's independence?

1. Building a shared understanding of what independence means
2. Getting each public body as a whole to see this independence benefits them
3. More working together on grants and contracts to achieve better outcomes
4. Ending council appointments to management committees of groups
5. The sector determining its partnership representatives free of interference
6. Facilitating access for groups disagreeing with the council
7. Promotion and celebration of campaigning

Section B – Sharing independent thoughts

The Commission on the Future of the Sector led to the Compact being agreed almost a decade ago. Today the man who chaired the commission is a trustee of the Baring Foundation, whose grants programme promotes independence.

Independence isn't a gift that governments condescend to bestow on voluntary and community bodies: it is theirs by right. Nor is it a windy abstraction – remaining independent goes to the heart of what voluntary bodies are and serves a hard practical purpose. Without it, they are simply agents of the state; with it, they can contribute what is uniquely distinctive about their organisation and culture. Their independence guarantees that they will continue to do so and Compact Voice's survey underlines exactly why this is so important – **Nicholas Deakin**

On safeguarding independence, the Local Compact Voice Chair says:

The Compact didn't create the sector's independence, which has always existed. It did place independence first in the government's undertakings. Whilst the Compact's top job is to keep the searchlight on this right, the cost of independence is eternal vigilance – **Carl Allen**

The Commissioner for the Compact, in his 2007 Local Sector Independence Day message, pinpoints who needs to be vigilant:

The Sector's Independence is crucial to an active community. The Compact's strong commitment on independence can't be taken for granted because it doesn't happen on autopilot. It takes local groups to safeguard it and public bodies to make it a reality when doing the business with them – **John Stoker**

Without Compact compliance, contracts can undermine sector independence. The Chief Executive of the National Association of Councils for Voluntary Action says:

Public service contracts can divert groups from their mission, reduce them to acting as agents of the local state and direct them down a defined path prescribed by the funder. Grants enable groups to maintain independence and sustain their roles as critics of the state, challengers of public services and champions of people who face poverty and discrimination – **Kevin Curley**

The drift from grants to contracts was reported to the 2006 Compact Annual Meeting. Compact Voice continues to press for Local Area Agreements and funders to support the sector in both public service delivery and voluntary and community activity. Of course, some in local government understand independence issues very well:

Councils need to understand that the sector does not exist to simply deliver public services. Whilst this is becoming a more significant element of sector activity, its sheer diversity is its key strength – **Mark Cranmer**, Wakefield Council's Community Engagement Officer

Defining independence is crucial. This should reinforce equality, thus creating a level playing field for partnership working, genuinely embracing the dynamism of the sector – **Stephanie Rowland**, Project and Grants Officer, London Borough of Haringey

Finally, the Chief Executive Officer of Hertfordshire Council Council says:

The sector's independence provides the foundation for the unique contribution groups are able to bring to service delivery and policy development and is at the very heart of local community action. Here in Hertfordshire the sector's independence is crucial to its input into the Local Strategic Partnership and underpins involvement in the Local Area Agreement with its focus on delivering better public services together. Our belief in this independence is written down in the Herts Compact but we all need to make it better understood, valued and strengthened – **Caroline Tapster**

Section C – *The Survey*

1. Safeguarding sector independence

(a) Local Compacts can safeguard independence

Do Local Compacts make a difference to local groups actually being independent? When the people in local sector infrastructure bodies who do the Local Compact work were asked, 9 in 10 identified a gap between what their Compact says and what happens in practice but 2 in 3 respondents reported that it did make a difference. Local Compacts can serve as a tool for safeguarding independence but they usually work at fully effectiveness in the few areas where their implementation is resourced.

(b) Taking responsibility for your own independence

Local Compacts tend to go beyond recognising independence and commit to actively upholding it. True, public bodies are not living up to this undertaking. There again, whilst the survey didn't invite evidence of the sector effectively asserting and defending its independence, none was submitted. Groups may know that their independence also benefits partners, users and the community but they let everyone down if they fail to engage with or challenge partners on independence issues. Legislation (such as the Freedom of Information and the Public Interest Disclosure Acts) provides tools that could be used to do this.

2. Understanding independence

(a) The need to understand independence

So fundamental is independence to the Compact that a shared understanding between local public bodies and the sector of what it means should be universal. Just one respondent thought there actually was a shared understanding. 4 in 10 felt that there is only *a reasonably good degree* of shared understanding. Another 4 in 10 reported a somewhat different understanding. The rest claimed there was a completely different understanding or that local public bodies didn't get it at all.

(b) The need to demonstrate understanding of independence

Respondents were addressing whether local public bodies demonstrated in their practice and behaviour that they shared the sector's understanding of what independence means. Compacts support an independent, democratic and free society in which local groups advance their aims for the wellbeing of society. So public bodies should be concerned not to compromise sector independence. Indeed, the risks of compromising independence go beyond groups not getting their rights: relations, the effectiveness of working together and the outcomes for all partners can be damaged.

(c) Why independence isn't understood

Respondents see misunderstanding independence as part of a bigger problem of local public bodies not understanding the sector. Independence is a self-evident truth and a brand feature of the national Compact inherited by Local Compacts. Partners may not have debated independence when drafting their Compacts and even subsequently only 1 in 4 Local Compact Groups have done so.

Comment from the response to the survey

“**South Downs** CVS AGM debated the Third Sector Review and its impact on independence and the council's Mayor and CE, the PCT Chair and MP all attended.”

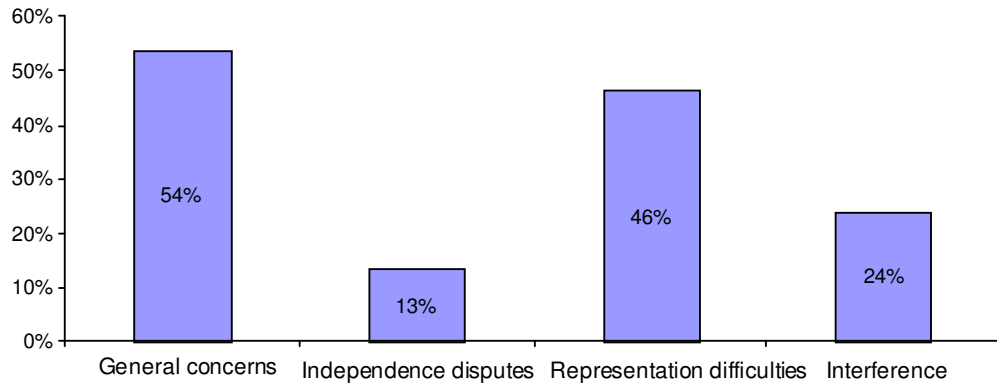
(d) Who has a significant need to improve their understanding?

Of all the public bodies, the biggest and most important relationship for the local sector is with councils and so, as expected, they top the list. The local authority was cited by 7 in 10 respondents, the primary care trust by more than half, then came the LSP, and 4 in 10 named learning and skills councils. 8 in 10 thought councillors had a significant need to improve their understanding, just ahead of commissioning and procurement officers, but middle managers in councils were also highlighted.

Comments from the response to the survey
“Its OK at the top but not at management level where implementation happens.” “The farther down the scale you go the less they know.”

3. Incidence of general and non-financial independence concerns

Figure 1 Sector concerns on independence



(a) Independence concerns are not being resolved

More than half the respondents had picked up general concerns about independence from the sector. Apparently, few are redressed through disputes procedures or even reach their Local Compact Group. (Although groups approaching the Compact Advocacy Programme often mention independence breaches, very few press this as part of their case). A known reason for a group not pursuing a disputes case is fear of retribution – a fear which is particularly likely where independence is concerned.

(b) The sector’s voice

Almost half the respondents report that groups find it a struggle to represent their users and be heard. This can lead to reduced sector participation, policy processes missing valuable input, and services being less well matched with what users want.

Comments from the response to the survey
“Groups with contracts don’t always feel confident to challenge council policy in related areas and this can be as much of an issue for them as for the local authority.” “The introduction of themed discussions at LSP meetings means we can consult with groups in advance to get their views and develop our policy positions.”

(c) Working together – campaigning together?

Councils run all manner of campaigns from welfare rights to recycling. Running some jointly with local groups could make campaigns more effective, including through demonstrating wider support and especially if beyond the usual suspects. However, respondents didn't report a high level of joint campaigning but 1 in 3 said groups felt pressured into supporting things. Contesting local authority settlements and NHS cuts can be common interest issues but in many areas it is left to each public body to lobby government alone. There could also be more joint lobbying by partners on getting Compact principles to play in the central-local relationship.

Comments from the response to the survey

"Partners in Congleton have challenged government on the timetable for the local planning framework not being Compact compliant."

"The Smoke Free Sefton campaign has been an excellent multi-agency initiative. "

(d) Perceived interference

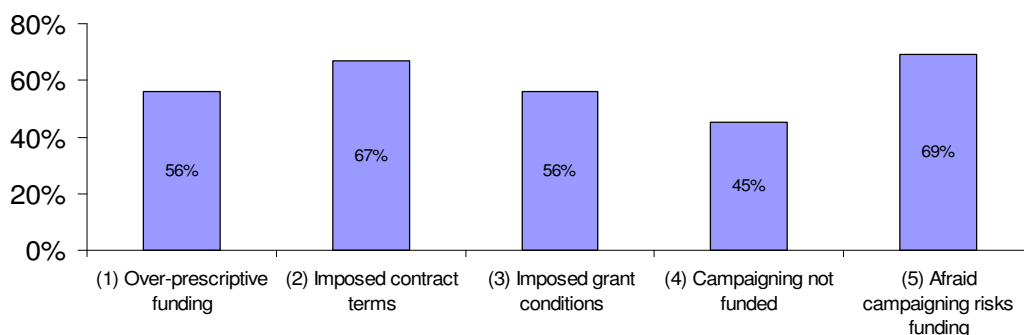
It is worrying that 1 in 4 respondents say that groups feel there is unwarranted interference in their internal affairs. Funders have a crisis intervention duty but crises don't occur this often. The finding sits unhappily with dispute resolution being used so seldom and independence as a topic being rarely explored together, and may overlap with the council appointees sitting on trustee boards.

4. Funding and procurement

Concerns have been raised in recent years that public service contracting compromises sector independence. It will almost certainly do so unless Compact compliant, but so can groups chasing funding inconsistent with their mission. This survey sought to discover:

- (1) Is independence being constrained by an over-prescriptive local funding regime?
- (2) How widespread is the imposition of contract terms (i.e. not properly negotiated)?
- (3) How prevalent are unilateral rather than jointly agreed grant conditions?
- (4) Are local funders paying campaigning costs?
- (5) To what extent are groups still afraid that challenging council policy or campaigning to change it could risk their future funding?

Figure 2 Concerns of respondents in relation to funding



The findings suggest that most areas have yet to practice a Compact way of working together. Government has decided that compliance with national Compact funding standards such as 3-year funding, is to apply locally. This needs to cover on *what* terms councils fund the sector and *how* this is determined.

Comments from the response to the survey
<p>“Comments such as ‘We’re paying them so they will do as we say,’ are common at partnership meetings, even in front of us.”</p> <p>“Many of the funded groups got nothing for inflation and this decision was simply imposed, not negotiated or even discussed.”</p>

Should funders pay for campaigning by groups? The Isle of Wight County Council has supplied a good practice example for this report. Their contracts include a negotiated commitment by the voluntary organisation to act as a campaigning group where part of its real mission, plus a council commitment to respond positively to campaigning activity. They hope to extend this for small groups via consortia.

Whilst coming as no surprise to the Campaigning Effectiveness Programme based in NCVO, the high level of campaign phobia is alarming as it goes right to the heart of the Compact’s independence commitment.

Comment from the response to the survey
<p>“Some groups feel inhibited and fear reprisals if they challenge council decisions.”</p>

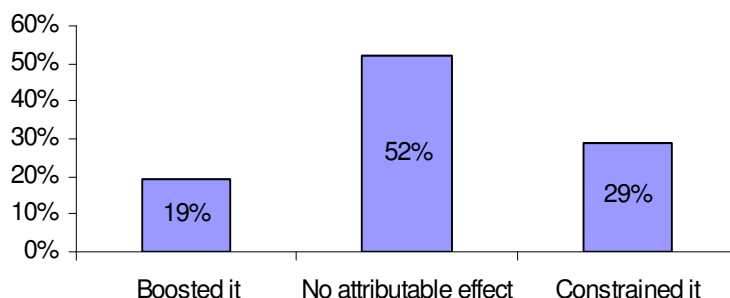
Feeling afraid to campaign doesn’t necessarily mean this is justified. True, councils have failed to dispel such fears but local sectors have failed to bring this issue to the table. This constitutes a widespread and fundamental if unwitting Compact breach, to mutual disadvantage. Does having this fear mean that these groups aren’t campaigning at all, or doing less, or being more circumspect about it? There must be instances where the fear is justified. What are groups to do?

5. Partnership

(a) Impact of partnership on sector independence

Partnership working is the theme of most Local Compacts but, although they can be used explicitly for partnership improvement, few have yet done this. The growth in partnership between groups and public bodies prompts the question: what is the impact on independence, including campaigning?

Figure 3 Views on how partnership impacts on independence



Whilst almost 1 in 3 respondents reported that local partnership working compromised independence, the majority view is neutral, although half also felt that partnership board members need to improve their understanding of independence. The findings may reflect a split view or different experiences.

(b) Partnership participation

Compact Voice has often heard of sector representatives on local partnership boards being challenged by the council on how representative and accountable they are. So how do they get on these partnerships? As many as 1 in 3 respondents say the council selects them. There doesn't have to be a motive for this to be wrong.

Comments from the response to the survey

“Public bodies may invite groups onto partnerships because they have knowledge and links, not because they will agree with them.”

“Wanting people in place quickly but not knowing alternative ways of getting sector reps seems to explain why the council selected them, not to avoid having trouble makers.”

However, a parallel line of inquiry asked: do public bodies tend to hand pick who they invite in and make it harder for groups who disagree with them to gain access? This is what they sometimes do, according to 7 in 10 respondents. (A Council open doors event is one of the suggested Local Independence Day activities so that staff can have one-to-one chats with groups on their issues, causes and campaigns.)

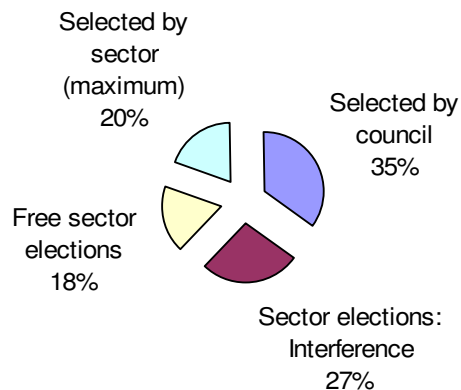
There needs to be the organisational means of ensuring effective representation on partnerships, e.g., for elections to take place, the sector needs to be able to run them through supported networks to which there can be some accountability, alongside transparency. However, sector infrastructure in some areas can be thin.

Comment from the response to the survey

“The sector has only become organised recently to set up election processes.”

What happens where the sector does elect its representatives? According to 1 in 4 respondents, there is a continuing problem of the council attempting to interfere. This is odd behaviour for a council whose distinctive characteristic is being the democratically elected public body for the area.

Chart 1 How sector representatives get on partnership boards



The survey did not go into depth here, assuming not only that representatives were either selected by councils or elected but also that purely one or other model was used. More likely, there is a mix of practice, some of it doubtless historical, and perhaps the local partnership scene is in transition from selection to election. The issue isn't about quantifying the problem but getting it addressed wherever it exists.

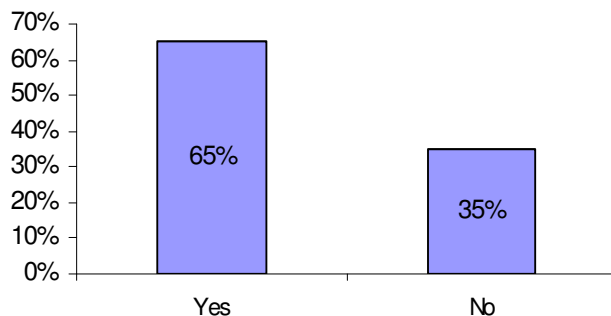
6. Councils appointing to trustee boards of funded groups

A value judgement needs to be made. It is simply wrong for councils to make appointments to management committees of voluntary organisations because it affects independence (and on other grounds too). Not everyone has yet signed up to this belief, although it causes as much of a problem for councils and their representatives as it does for groups. Some councils have to arm-twist their members every year to fill places whilst in others councillors can give the impression of regarding their appointment as a position of power.

Comments from the response to the survey
"Generally, the council don't force it if the group doesn't want a council rep to attend."
"Arrangements will be reviewed through our Compact in the coming year as there seems to be support for ceasing council appointments to our boards."
"Councillors are only meant to attend as observers but stray from this role, which can threaten the effective running of the meeting. A review is being hampered because they want to stay on our boards and there are threats to pull funding if excluded."

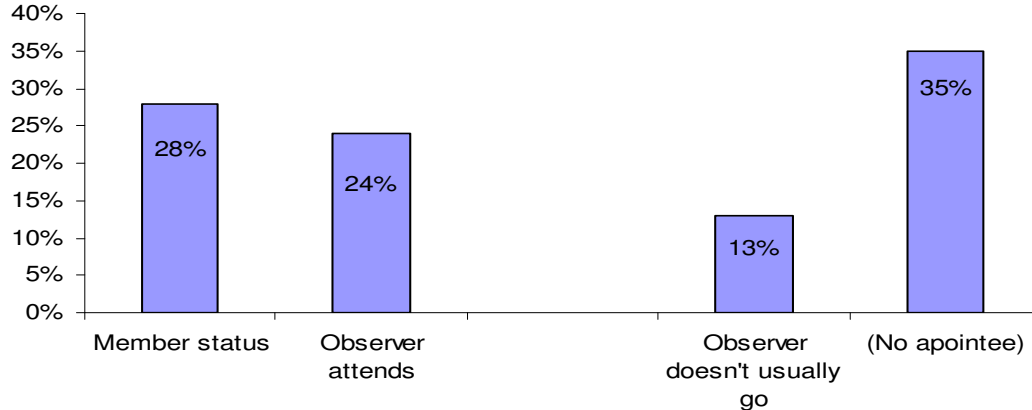
Standing apart: working together (NCVO, 2004) advises that "Fundlers should not be entitled to nominate a representative". The need is to end the practice of councils appointing people to trustee boards altogether, rather than managing situations where they have been appointed. Whilst it is unclear whether there is a trend for councils to stop making appointments, the findings suggest the practice is still widespread.

Figure 4 Does your council appoint to trustee boards of funded groups?



The practice seems to be for a council appointee to attend board meetings of funded groups in more than half the surveyed areas and in one quarter it is as a board member (a politician or a council officer operating at a member level).

Figure 5 Status and participation of council appointees



In most areas, hundreds of hours are being consumed by council representatives attending these meetings that could be saved (or diverted to Compact championing and implementation).

7. Conclusion: the call for action to strengthen independence

The survey suggests that in most areas where a response was received the sector experiences a range of independence problems that are not discussed or addressed, that may compromise its role and could constrain its effectiveness. The relationship built through Local Compacts is a two-way street of common purpose and mutual advantage. Where the local sector's independence is compromised there is a corresponding negative impact on their Local public body partners. Local Compacts can work to safeguard sector independence. Strengthening independence requires a shared understanding of what independence means between local public bodies and local groups and also requires action by both. The actions in Section A, paragraph (e) are a menu for turning local sector independence around and securing more of the mutual advantage that Local Compacts offer.

***Appendix* Local Compact Voice and the survey methodology**

Local Compact Voice

Local Compact Voice was set up in 2004 as a free network for the sector and enables members to draw on knowledge, experience and problem solving. It influences national policy on Local Compact related issues including through representations to and discussion with Government and the Commission for the Compact. It is part of and supported by Compact Voice (formerly the Compact Working Group) which is an independent body representing the sector on taking forward the Compact. The network has 294 members of which 270 work at local level. The network covers 252 (65%) of the 388 local authority areas in England.

In some county areas there is a countywide Compact covering the districts and in others there is a county Compact and separate district Compacts. More rarely, two or three districts have agreed a common Compact. A few membership organisations also cover two or three areas. There are 11 members who represent more than one area and 44 areas with more than one member in the network.

Campaigning for the local sector's independence to be a reality is one of the current priorities of Local Compact Voice. Others are: getting Local Compacts properly resourced; pressing for all local area agreements to be Compact-proofed via our scorecard; persuading all health trusts appoint a Compact champion and be engaged in their Local Compact; and encouraging better partnership working.

Survey methodology

Conducted within the membership of Local Compact Voice, the survey ran until the end of May 2007 and drew 106 returns. An on-line form was used with 12 main questions, two of which enabled up to 12 concerns to be identified, and four of which included inviting specific comment.

Survey response

All of the self-selecting 106 returns were from the locally based membership, which equates to 39% of the network's local membership. The survey covers 124 (32%) of the local authority areas (and 49% of areas covered by the network membership), with regions polling between 30-60% (heaviest in NW, YH, E & SE and lowest in L, NE & SW).

Limitations

Most of the survey deals with opinion. The results are drawn only from the sector. The network's local members are from CVS and other infrastructure bodies. Whilst they know the most about the survey issues, they handle the bulk of council/sector relationship problems and may take a harder view than individual groups.

Although Local Compacts and partnership relations involve all local public bodies, it was anticipated that, at least initially, action arising from the report would mostly involve the local authority as the key player in the relationship. Therefore the survey focused primarily but not exclusively on council/sector interaction. Inevitably, the local authority perception will be different but it is unclear how great that difference is or on which aspects. Compact Voice invited advance input from council officers attending the Local Sector Independence event at NCVO. Simply by virtue of registering for the event, these participants will inevitably be more enlightened on independence than local government generally but they have contributed their insights (see Section B).