Compact for joint working between the council, the voluntary and community sector and local strategic partnership
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Introduction

Barnet has a thriving voluntary and community sector, which already makes a significant contribution to the vitality of public life in Barnet through providing services, advocating the needs of different communities and advising the statutory sector. The sector will have an increased involvement and profile both in shaping local public services and delivering them through procurement and commissioning. It is essential therefore that the council, other partners and the voluntary and community sector invest in helping to develop an efficient, responsive and well-governed sector, and that all are clear about their mutual expectations.

The council undertook a best value review of the voluntary and community sector and recommended that the existing Compact be reviewed to establish a clear framework of engagement in terms of consultation and partnership working.

This Compact is designed to set out the mutual expectations of each partner and is a tool to continuously improve how we work together for the benefit of Barnet. It provides an analysis of respective roles, before setting out the policy background followed by a series of core commitments.

It sits alongside, and should be read in conjunction with, other relevant documents including the third sector commissioning framework (and associated documents on grant funding and contract management) which is being developed.

Principles of joint working

The council and the voluntary sector and community sector are jointly committed to securing better outcomes from local services which provide value for money. We will work together to achieve this within a context which also values the following:
The voluntary and community sector in Barnet

The voluntary and community sector (VCS) in Barnet is large and diverse both in terms of the work and services provided, but also the different types of organisations. There are close to a thousand voluntary and community organisations in the borough which range from the very small to charities that are involved in significant trading activity.

The VCS in Barnet includes:

- **service providers** – organisations, fully or in part run by professional staff, providing services to local people, often in the areas of health or social care, and often contracted or commissioned by the council and PCT; many are local branches of national organisations, or subregional or regional organisations

- **user groups** – groups of local residents who come together for mutual support or activities, operating at a neighbourhood and grassroots level; by and large wholly voluntary, and based in communities of interest, geography or cultural background; they include residents associations and community sports groups as well as self-help groups
• other local third sector organisations, for example organisations which are not-for-profit, run for social/public benefit and/or on a voluntary basis, including grant-making/charitable trusts, foundations and societies, campaign organisations like Friends of the Earth, arts, education and leisure organisations and social enterprises.

The council has a financial relationship (through grant giving, contracts and service-level agreements) with some 200 voluntary and community organisations (VCOs).

Voluntary and community Sector (VCS) governance

i. Organisational structures

VCOs are typically constituted either as:

• unincorporated associations/clubs
• registered charities with or without incorporation as limited companies
• charitable incorporated organisations (a new structure from 2008, combining charitable registration and incorporation as limited companies)

ii. Sector regulation

Registered charities are regulated by the Charity Commission and must comply with legislation and regulations about their governance the details of which are set out by the Commission on its website. The same legislation and regulations apply to unincorporated associations and clubs through statutory and charitable bodies (councils for voluntary service, funders) to ensure good governance across the sector.

iii. Charitable objectives

The work, activities, services and projects carried out by VCOs are governed by their charitable objectives. These have to fall within the thirteen areas of public benefit set out by the Charity Commission. VCOs may not carry out any work that falls outside these objectives. Any change in objectives must be submitted to the Charity Commission for approval. These objectives may identify certain geographical areas, or groups of people as beneficiaries.
iv. Internal governance and management

Responsibility/accountability of VCOs and their work lies with their Board of Trustees, sometimes referred to as Management Committees. Where charities are also limited companies, the Trustees are directors of the company.

v. The role of the Board

Trustees have and must accept ultimate responsibility for directing the affairs of their organisation, ensuring it is solvent, well-run, and delivering the outcomes for which it has been set up.

This includes:

- ensuring compliance with the objects, purposes and values of the organisation, and with its governing document
- setting or approving policies, plans and budgets to achieve those objectives, and monitoring performance against them
- ensuring the solvency, financial strength and good performance of the organisation
- ensuring that the organisation complies with all relevant laws, regulations and requirements of its regulators
- dealing with the appointment (and if necessary the dismissal) of the organisation’s chief executive
- setting and maintaining a framework of delegation and internal control
- agreeing or ratifying all policies and decisions on matters which might create significant risk to the organisation, financial or otherwise.
vi. Trustees’ individual and joint accountability

• Trustees are bound by an overriding duty, individually and as a board, to act reasonably and prudently at all times in the interests of the organisation and of its present and future beneficiaries or members.

• All decisions made by the trustees are taken by all the trustees, acting collectively as a team. However decisions need not be unanimous.

• Each and every trustee must act personally, for the benefit of the charity, and not as the representative of any group or organisation. This applies regardless of how that person was nominated, elected or selected to become a trustee.

• In the case of membership organisations/umbrella bodies where a board is composed of representatives of member organisations, the role of these trustees is to govern the umbrella body, not to represent the interest of the member organisation on it.

• The trustees must ensure that they remain independent, and do not come under the control of any external organisation or individual.

• Trustees are personally liable for the governance of their organisation. It is their duty to receive professional advice where appropriate and to keep fully informed of the organisation’s affairs to ensure that they meet their obligations. If they fail to do so, they may be subject to legal action.

• Generally, trustees are not entitled to receive payment out of the charities’ funds other than the reasonable and necessary expenses, such as the cost of travel to attend trustee meetings. There are limited exceptions to this rule, for example, when the governing document explicitly allows payment to trustees, and or allows them to do business with the charity.

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vii. Risk management

Compliance
The board must ensure that the organisation complies with its own governing document, relevant laws, and the requirements of any regulatory bodies.

Internal controls
The board should maintain and regularly review the organisation’s system of internal controls, performance reporting, policies and procedures.

Prudence
The board must act prudently to protect the assets and property of the organisation, and ensure that they are used to deliver the organisation’s objectives.

Managing Risk
The board must regularly review the risks to which the organization is subject, and take action to mitigate risks identified.

viii. Key procedures

VCOs must:

- have regular board meetings
- an AGM
- produce an annual report/accounts, in compliance with SORP
- documented management and control procedures
- Show the highest possible transparency in the use of public funds, whether these are in the form of funding by statutory bodies, charitable grants or donations of the public.
Barnet Council’s priorities- the VCS’s contribution

The Corporate Plan 2008/9-2011/12 demonstrates the importance Barnet Council attaches to the voluntary and community sector and states that ‘we will continue to work side by side with the voluntary and community sector’. At the same time we wish to give the voluntary and community sector opportunities to bid to supply services to the council and compete in the market place.

The Voluntary and Community Sector adds value to the council’s activities because it performs the roles of:

- provision of services that are closer to communities than public services can be
- contributing to our equalities duties through advocacy and provision of services for all sections of our community, and helping us understand the differential needs of particular communities
- identification and representation of community interests
- contributing to policy development through their knowledge, expertise and community links
- innovation and piloting new services that, if successful, can be commissioned more widely.
- providing feedback from service users
Specific examples of how the sector contributes significantly to all six of the council’s priorities:

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<th>Council priority</th>
<th>Value added by the voluntary and community sector</th>
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| Strong and Healthy                      | • volunteering- a society in which volunteers give their time to civic and charitable activity has higher levels of social capital and is arguably better governed and more socially cohesive  
• encouraging co-production by greater involvement of users in delivering services  
• advocacy for those who may not make their voices heard directly, especially vulnerable and disadvantaged people |
| Bright Future for Children and Young People | • provision of services – play, support to children and families in need, childcare services, diversionary activities for young people, services for young people with specialist needs - e.g. learning difficulties, mental health  
• advocacy for needs and rights of young people |
| Supporting the Vulnerable               | • major provider of health and care services- particularly for ‘harder to reach’ parts of community or those requiring specialist support. The choice and independence agenda for adult health and social care will increase the role that the sector will play  
• advocacy for vulnerable communities  
• provide support for carers |
| Clean Green and Safe                    | • environmental organisations actively protect and enhance environment  
• neighbourhood Watches and other groups help the council and partners fight crime as well as improving community resilience |
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| Successful City Suburbs | • dialogue between resident and amenity societies and the council ensures that planning meets the requirements of local communities  
                          | • registered Social Landlords help meet housing needs                                                        |
|                          | • provision of arts, cultural and sporting activities that contribute to Barnet’s vibrant cultural/creative economy |
|                          | • community enterprises contribute to employment and economic development                                     |
| More Choice, Better Value| • result in more diversity of service provision                                                                   |
|                          | • services closer to the needs of customer or community and hence better value for money                       |
|                          | • enhance choice to allow users to choose between voluntary and statutory services allowing for trust and local knowledge |
Barnet Voluntary Service Council

The council’s principal relationship with the sector as a whole is through the Barnet Voluntary Service Council (BVSC) who have a remit to support, promote and develop voluntary and community action in the London Borough of Barnet, and are the main voluntary and community infrastructure organisation with a membership base of 280 voluntary and community organisations. They are the lead partner for locally taking forward the national ‘Change Up’ programme to enhance the infrastructure of the local voluntary and community sector, building its capacity to allow it to play the fullest role in public policy.

The contribution BVSC makes includes:

- representing the sector as an adviser on a number of partnership boards to articulate the sector’s awareness of the community’s needs and aspirations and thereby contributing to local policy development
- improving the effectiveness, range, capacity and professionalism of VCOs
- helping members to deliver services through supporting formation of consortia; and advising members on funding strategy and sources; and financial management and accountancy
- bringing funding into the borough by advising and helping members to access sources of finance
- facilitating networks and communication mechanisms (e.g. Connecting Communities Portal) to give the sector a voice in policy development and review
- providing a Volunteer Development Service which provides brokerage, markets volunteering and develops volunteering strategy, good practice, and volunteering opportunities
- playing an advisory and mediating role when necessary in dealings between member organisations and the council.
• As a result, the council is committed to supporting BVSC as the means of promoting and developing action by the voluntary and community sector in Barnet. For that purpose they receive the following grant sources from the council: a three year rolling revenue contract, reviewed annually, and project grants to help support specific services (currently the Volunteer Development Service, Funding Advice Service and Community Accountancy Project).

The council also has bilateral relationships with a host of individual voluntary and community organisations, in the form either of informal arrangements or individual contracts and service level agreements, which set out their own governance relationships. However the focus of the Compact is on the sector as a whole and how it is represented in its dealings with the council and its partnerships.

Policy and Governance

Policy background
The council, public services, the voluntary and community sector and the business community are committed to working together to ensure that those difficult issues that affect Barnet’s communities are tackled in a systematic way. Within the constitutional framework of the council, the PCT and other statutory bodies, the Local Strategic Partnership is responsible for a Sustainable Community Strategy (SCS) for the area and a Local Area Agreement (LAA) with Central Government. The LSP also oversees more specific theme partnerships- the Safer Communities Board, the Children and Young People Strategic Partnership Board and the Adult Strategy Group.
The council in its role as a place shaper is responsible for overall leadership and co-ordination of these structures, including being the accountable body for distribution of funding, and the voluntary and community sector is an integral part of this process.

The VCS is represented on the LSP by Barnet Voluntary Service Council (BVSC), who are involved in strategic discussions on the SCS and the LAA and play a key role in building awareness in the sector, involving key organisations, and reporting back on issues identified by the sector.

Many individual organisations were involved in developing the Sustainable Community Strategy and a variety of voluntary and community groups play a crucial role in implementing activities and projects in the strategy, and services and activities that contribute towards the targets in Barnet’s Local Area Agreement. This level of engagement will continue through BVSC in the development of the new LAA for 2008/09 which will act as the action plan for the Community Strategy.

These are the main ways the voluntary and community sector works with the council and its partners:

- contributing to **needs analysis exercises** by the LSP and partnership boards (e.g. Joint Strategic Needs Analysis for health) through the identification and articulation of community needs
- contributing to **strategic commissioning** through membership of the LSP and partnership boards that commission services and activities that meet community needs; and providing feedback on the services delivered
- **expressing its voice and helping to shape public policy through** BVSC run networks (e.g. health and social care networks, Federation of Advice and Information Providers) which enable VCOs to collaborate and collectively articulate their views and participate in shaping local policy and services. New networks and interest groups are also established in response to needs.
• **advocacy** of the needs of particular communities, representing these needs and interests and bringing them to the attention of the council and other public service providers

• **brokering** relationships between specific VCOs and the council to ensure that difficulties and misunderstandings do not unnecessarily lead to service disruption for users

• **service Delivery**, through successful identifying of needs, preparation of bids and winning of contracts, either of statutory services where voluntary and community organisations are proven to be the most efficient and value for money provider; or specialist services where the principal expertise lies in the voluntary sector.

A recent publication ‘Principles of Representation: a framework for effective third sector participation in Local Strategic Partnerships’ gives helpful guidance to voluntary and community organisations on representation on partnership boards, and in particular draws the distinction between representing the sector, and other forms of participation where they are giving expert advice, or merely expressing a view from their personal perspective.
Compact - specific commitments

Council

The council will no longer be electing representatives to serve on voluntary bodies and will use other mechanisms to performance manage any grant or contractual arrangements, or influence the development of a voluntary organisation in a way that promotes the council's priorities. Where an organisation wishes to have a councillor on their board, they must ask them personally and they will be serving in their personal capacity. That person must abide by responsibilities of charity trustees and the relevant scheme of governance, and as a trustee of a voluntary or community organisation must act solely in the interests of that organisation to protect its charitable status.

The council will ensure that its governance arrangements for partnerships include adequate provision where relevant for voluntary and community sector representation on the LSP and each of the three boards reporting directly to it.

The LSP and its three constituent boards will have agreed terms of reference, which will include expectations on partner members in terms of performance against agreed plans.

The Council recognises the right of voluntary and community organisations to be advocates for specific communities and their right to campaign within the law.

Voluntary and Community Sector

Voluntary sector organisations, as a condition of all engagement with the council but in particular when in a financial relationship, must ensure that they have robust governance and financial management arrangements that can be externally verified.

Voluntary sector organisations will ensure that a clear and transparent distinction is made between advocating the needs of communities in policy development and promoting the interests of their specific organisation.
Voluntary sector representatives (whether BVSC or other organisations) that ‘represent’ the sector on partnership arrangements need to have governance mechanisms to ensure that, when speaking for the sector, they are legitimately articulating a common position.

BVSC will actively ensure that networks develop in an inclusive and equitable way that ensure all voices can feed into the policy development process, and that voluntary sector representatives convey feedback between networks and partnership boards.

BVSC will ‘capacity build’ its member organisations and therefore the sector as a whole to enable them to respond to policy changes, e.g. the move towards greater commissioning, and improving their governance, for example being able to separate advocacy from self-promotion.

Review of the Compact

The Compact will be kept under regular review to ensure it remains relevant and that its principles reflect good practice. A formal annual review meeting at the end of each municipal year will take place attended by the Cabinet Members for Community Services and Policy and Performance and the Executive Director for Communities, and BVSC’s Chairman and Chief Executive. This will be reported back both to the Cabinet and BVSC’s Board of Trustees.