Developing Collaborative Relationships Between Civil Society and Government: The Compact Between the UK Government and Voluntary Sector in England

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“The Compact is an expression of the commitment of Government and the voluntary and community sector to work in partnership for the betterment of society and to nurture and support voluntary and community activity” (Paragraph 4 of the Compact on Relations between Government and the Voluntary Community Sector in England, Cm4100, November 1998).

Introduction

CIVIL SOCIETY organizations, as organizations which are neither of the state nor of the market, have a particular and growing significance in the conduct of society. The question of relationships between governments and civil society organizations is therefore a key in governance. Traditionally many civil society organizations have been closer to individual communities than governments, as well as playing vital roles as advocates for particular causes or groups. Therefore the interaction between them and governments as part of the exercise of good governance is of vital importance.

This paper sets out to look at the experience and impact of developing an agreement between the British Government (called the Compact) and the voluntary sector in England on relations between the two parties, and sets out a number of issues for consideration underlying the development of the capacity of civil society organizations to engage in advocacy and policy development. Throughout this paper the term voluntary and community organizations will be used rather than civil society organizations, as the Compact specifically uses this term.

Background and Context

There are some 122,000 active general charities in England. These are not for profit civil society organizations which have special legal status and are registered with the Charity Commission—the state sponsored regulatory body for charities. Their status entitles them to specific tax and fiscal benefits, but also means they are subject to particular laws and regulations. The legal framework within which they operate dates back some 400 years. These organizations play an important role in British society as the country’s “third sector” working alongside the state and the market and contribute two percent of the Gross Domestic Product. Active general charities across the United Kingdom employ some 500,000 paid employees (out of a working population of approximately 27 million) and engage some three million citizens in volunteering. The sector now employs more people than the agricultural
or clothing sectors, but is chiefly known for its impact on the development of civil society and the provision of social welfare support.

In addition to active general charities there are some 200,000 other civil society organizations, which range between large not for profit NGOs to small local community groups and self help organizations.

Over the past two decades the question of the relationship between the sector and government has been a subject for debate. The central issue in the debate has been about the role of civil society organizations in the delivery of services to individuals and the ability/capacity of organizations to advocate. In 1980 an attempt was made to secure a memorandum of agreement over relations between the government then and the voluntary sector, setting out how the two sectors interacted—particularly in the field of employment training programs for unemployed young people. This attempt was unsuccessful. In the later 80s the passing of the National Health Service and Community Care Act had a major impact on the role of many voluntary organizations in the social care field, by transferring from central and local government to the voluntary and private sectors certain responsibilities for the provision of personal social services, which would be provided by them under contract. This had a profound effect on the relationship of many voluntary bodies with central and local government.

The Development of the Compact

The impetus for the Compact derives from the recommendations of the Commission on the Future of the Voluntary Sector in 1996, which was established as an independent commission by the National Council for Voluntary Organizations (the umbrella body of civil society organizations in England) to consider the future role and agenda for the sector and the policy document on the voluntary sector Building the Future Together (which was published by the Government when in opposition in 1997). The Commission’s report concluded that in order to safeguard the independence of voluntary organizations, and to clarify how voluntary organizations should interact with government, a “Concordat” was necessary, particularly as Government and had a powerful influence on the environment within which the sector operated. The “concordat” should be aimed at setting out basic principles for future relations. Building the Future Together also concluded that a “Compact” to take forward a partnership between Government and the sector was necessary and should be based on a set of principles. The document recognized two key aspects of the sector—its value in building a civil society, and its power to bring about social change.

Policy Context

The development of a Compact became one of the key elements of the Governments’ approach to its policy towards the voluntary and community sector. It needs to be considered not only in the light of the Government’s approach to working with voluntary organizations, but also in light of its general approach towards working with other organizations and sectors. The Government has taken a non-ideological approach to working with other sectors. It is not particularly interested in the provenance of the organizations it is working with be they from
the private, the public or voluntary sectors, but more as to whether they can and do add value to achieving certain objectives. Certainly for the voluntary sector this has had advantages in that it provides voluntary and community organizations with a strong basis for a relationship with government, and with recognition as having a role alongside other sectors. Nonetheless voluntary organizations have a wider role than solely as vehicles for the provision of services by government—they have an essential value in building civil society, and as independent bodies their basis for activity obviously derives from their established missions, with accountability resting with their trustees. This issue was recognized in both the Report of the Commission on the Future of the Voluntary Sector and Building the Future Together and it was this complex relationship that the Compact is aimed at recognizing and sustaining, so as to ensure that the contribution of voluntary organizations could be maximized, and the different relationships with government clarified. This meant that the task of creating a meaningful and durable agreement was a complex undertaking.

Building the Compact

In the summer of 1997, following the election of the new government, it was decided to press ahead with the development of a Compact given the convergence of intention between the Government and the voluntary sector for a new relationship.

Given the uniqueness of the particular task, and the complexities of needing to create an agreement that would be effective across the breadth of government and applicable to the thousands of voluntary organizations, it was recognized that there would be a need to develop a new special architecture for its creation. Indeed, in order to recognize the different constituent parts of the UK, it was agreed that there should be separate Compacts developed in each of the four nations—England, Northern Ireland, Scotland and Wales.

The architecture that was developed in England was based on twin track process. From the Government perspective a Ministerial Taskforce on Relations between the Government and the Voluntary, Volunteering and Community Sectors, chaired by the Home Secretary and supported by the Voluntary and Community Unit of the Home Office was charged with overseeing the implementation of the Compact. From the voluntary and community sector perspective a special Working Group on Government Relations was created.

Working Group on Government Relations

The voluntary and community sector, via a conference of its key infrastructure bodies, agreed to the creation of a Working Group to take forward the process from the agreed principles to the creation of a Working Group to take forward the process from the voluntary and community sector side. This Working Group was made up of representatives from a number of leading voluntary and community sector umbrella bodies, including representatives from community organizations, volunteering organizations, the Black and Ethnic Minority voluntary sector, as well as NCVO. The Group had an independent chair Sir Kenneth Stowe, who is a trustee of the Carnegie UK Trust and a former senior government official and Permanent Under-Secretary of State. The Working Group was supported and serviced by NCVO. The aims of the Working Group were to:
• examine the relationship between government and the voluntary sector;
• consider the scope of the Compact;
• consult the voluntary and community organizations over its content;
• liaise with Government over the Compact’s development.

Given the breadth of the voluntary sector in England, which ranges from small community groups to large multi-million pound NGOs, the Working Group was conscious that to create an agreement with government would require considerable consultation with voluntary organizations, and that it would draw its authority from the depth of its consultation. To assist it in its work the Working Group also set up a Reference Group with a membership of some 65 voluntary organizations to act as a sounding board for its activities. In addition, the Working Group established a number of key principles that would underpin its approach. These were, that the Compact should: be meaningful; respect the independence of voluntary organizations; be two-way; tackle the issue of the government as a key funder of the sector; be partnership based; be capable of being monitored; be durable; recognize the role of voluntary and community organizations in developing a civil society; and be inclusive.

The Consultation Process

A detailed and wide consultation process was embarked on across the voluntary and community sector by the Working Group on Government Relations. This consultation was carried out through the development of a draft consultative document, which was submitted for comment to the Reference Group prior to its circulation to the voluntary and community sector. The circulation of the consultative document was backed up by seminars and consultative events. In all some 10,000 copies of the consultative document were distributed, and feedback showed that there was clear and widespread support for the principle of a Compact. However, the consultation exercise also produced many suggestions and comments on areas which the Compact needed to address. These principally covered consultation and policy appraisal, funding, equal opportunities and enforceability. The process also showed that there was a need to take into account the special considerations of Black and Minority Ethnic voluntary organizations and community groups. To this end special consultations were undertaken with these groups.

The consultation document recognized that an agreement between government and the sector could not just be one sided or merely a set of high minded principles, but that it needed to be essentially a practical document that recognized the contributions and obligations of both government and voluntary organizations. From this was derived the idea of there being mutual undertakings on both sides.

Ministerial Working Group

The Government also established its own Working Group to take forward discussions on the Compact—the Ministerial Taskforce set up a special Ministerial Working Group, chaired by the Minister of State at the Home Office. The Working Group included Ministers from the different departments with considerable involvement with voluntary organizations—the
Department of Culture Media and Sport, the Department of Environment, Transport and the Regions, the Department of Health, the Department for Education and Employment, the Department of Social Security, as well as the Scottish, Welsh, and Northern Ireland Offices. The Charity Commission attended as observers. The Working Group had a remit to:

- oversee and monitor the implementation of the Compact;
- promote consistency within Government Departments on voluntary, volunteering and community issues;
- promote good communication between the Government and the voluntary volunteering and community sectors.

The Working Group, supported by the Voluntary and Community Unit at the Home Office, carried out a consultation exercise across government, to ensure that the key provisions of the Compact were acceptable and practicable.

**Developing the Compact**

It was clear during the consultation process that there was a “convergence of intention” and at this point detailed discussions between the Ministerial Working Group and the Voluntary and Community Sector Working Group were undertaken. These discussions were based on not only a “convergence of intention” but also on obtaining an agreed shared vision about the role of voluntary activity and its relationship to government. The Chair of the Voluntary Sector Working Group, Sir Kenneth Stowe was invited to present the findings of the voluntary sector consultation to the Ministerial Working Group.

During discussions it was recognized that creating a legally binding “agreement” between the two parties was not possible given their breadth and scope, and was unlikely to be suitable for the purpose. Instead it was resolved to develop a ‘framework document’ setting out the key principles that should underpin the relationship between the two parties based on a shared vision and supported by a series of undertakings on each side. The structure and key content of the consultative document formed the basis of the final Compact which was agreed upon in November 1998.

**Status and Scope of the Compact**

The Compact that has now been published is a memorandum concerning the relations between the Government and the voluntary and community sector. It is not a legally binding document. However, it is based on mutual undertakings, and derives its authority from the endorsement by both Government and the voluntary and community sector. The Compact applies to:

- all central Government departments;
- next step ‘Executive Agencies’ (government agencies directly accountable to Ministers);
- Government offices of the Regions.
The Government is also encouraging the adoption of the Compact to all Non Departmental Public Bodies which have a relationship with the voluntary sector. The Compact does not, however, apply to local government and local public spending bodies, although currently steps are underway to encourage the development of local compacts between local public spending bodies and local voluntary organizations. Separate Compacts have been agreed in Wales, Scotland and Northern Ireland.

**Key Provisions of the Compact**

The Compact is based on a ‘shared vision’ that ‘voluntary and community activity is fundamental to the development of a democratic, socially inclusive society.’ Furthermore, the Compact sets out that

Voluntary and community groups, as independent, not for profit organizations, bring distinctive value to society and fulfil a role that is distinct from both the state and the market. They enable individuals to contribute to public life and the development of communities by providing the opportunity for voluntary action. In doing so they engage the skills, interests, beliefs, and values of individuals and groups. The Government and the voluntary and community sector recognise and value the vital contribution of volunteers in our society, and the important role of voluntary organizations in helping them to make that contribution.

The Compact sets out a series of specific commitments:

- **Independence** - the independence of the sector and its right to campaign (provided it is lawful) irrespective of any funding relationship which may exist, and the right to challenge government policy.

- **Funding** - the Government has committed itself to achieve greater transparency, proportionality, consistency and targeting in its funding policies towards the sector, as well as to recognize the need to pay particular regard to the concept of strategic funding of organizations. In addition, there is specific recognition to pay due regard to the capacity funding of voluntary organizations and, specifically, infrastructure bodies. This will be taken further through the development of a specific Code of Practice.

- **Consultation and Policy Development** - the Government has committed itself to appraise all new policies so as to identify any possible implications for the sector, as well as to consult the sector on issues that are likely to affect it. Such consultation should allow for reasonable timescales for response taking into account the need for organizations to consult their users and stakeholders. A specific Code of Practice covering consultation and policy appraisal will be developed.

- **Better Government** - the Compact commits the Government to ensure consistency of approach towards the sector across all its branches, and to an Annual Appraisal of the operation of the Compact.
CIVIL SOCIETY AND GOVERNMENT RELATIONSHIPS

- **Accountability** - the voluntary and community sector has committed itself to maintain high standards of governance, as well as to meet accounting and reporting obligations, and to respect the law. In addition, voluntary organizations have committed themselves to developing quality standards.

- **Policy development and user consultation** - amongst the commitments on voluntary organizations is a pledge to ensure that users and members are consulted on policy positions when cases are presented to Government, or in responding to Government consultations.

- **Involvement and Equal Opportunities** - voluntary organizations are subject to a commitment to involve users in the development and management of activities and services and to promote best practice in equality of opportunity in their work.

**Monitoring the Compact**

The Compact will be reviewed annually by the Government and the voluntary sector. This review will include an Annual Report to Parliament.

The Compact, whilst not a legally binding document, nonetheless has a process for resolving disagreements over its application. As far as possible disagreements are to be resolved between the respective parties. However, the Compact allows for a process of mediation if the parties want one. In addition, where behavior which contravenes the Compact constitutes maladministration, complaints may be brought to the Parliamentary Commissioner who is responsible for investigating complaints against government departments.

**Taking the Compact Forward**

The Compact has been developed as a framework document based on a set of undertakings. In order to take it further two key additional areas of work have been agreed.

**Codes of Practice**

The Compact commits Government and the sector to develop a series of Codes of Practice on Funding, Policy Consultation, Volunteering, Black and Minority Ethnic Voluntary Organizations and Community Organizations. These will be developed over the next eighteen months. It is intended that these Codes will take further the commitments of the Compact and set out in detail how the commitments will work. The Working Group on Government Relations is setting up five sub-groups to develop the Codes. The sub-groups will engage with Government and consult with the voluntary and community sector.

**Local Compacts**

As nearly seventy percent of voluntary activity takes place at a local level, the second key task is to encourage local public spending bodies and the local voluntary sector to develop
local compacts based on the principles of the national Compact. To take this forward a Steering Group made up of the Local Government Association, the Government and key umbrella organizations representing the local voluntary and community sector has been established to develop guidance on the content of local compacts and to disseminate examples of good practice.

**Issues for Civil Society Organizations**

The experience of developing a Compact has been one of critical importance for civil society organizations in England. A number of elements have been critical to the process:

1. the building up in policy terms of a recognition of the need for a review of the relationship between the sector and government. This process took three years;

2. the development of an inclusive process that could result in tangible and meaningful outcomes;

3. the development of a ‘convergence on intent’ by both government and the sector as to a mechanism for taking forward the relationship;

4. agreement across the voluntary sector as to what it wanted from a relationship with government;

5. recognition that both parties could gain from the process—the development of a ‘win win’ situation which in this case was achieved through the identification of shared principles and values;

6. acceptance that such a process required buy-in from all concerned and could not be just top-down, widespread and open consultation was important;

7. sponsorship of the process at a high level in government;

8. understanding of the limitations that both sides faced;

9. ensuring that the outcomes could be measurable;

10. the establishment of a full two-way relationship, with obligations on the sector as well as on government.

The process that was carried out, based on a consultative document prior to engagement with government, ensured that a clear agenda was developed. The agenda focused on the core issues of the funding relationship, policy consultation, consistency of practice, as well as the need to define the extent of the responsibilities on government for promoting the environment within which voluntary activity takes place.
However, while the development of a clear agenda was crucial to the development of the Compact, so too was the shift in Government thinking towards working with the voluntary sector on a partnership basis, based on a shared view of both the strengths that voluntary activity could bring, but also an acceptance of governmental responsibilities towards developing the environment within which civil society organizations operated. Sponsorship of this at the highest level in Government was critical, and the Ministerial Working Group led by the Home Office ensured that the issues were understood across government and not just confined to the lead department.

If sponsorship at a high level in government was critical, so too was a willingness in government to understand that the development of the compact was not about ‘giving up power’ but a means of ensuring the furtherance of good governance and also an understanding of the limits of ‘traditional government.’ The Compact has provided English voluntary organizations with the basis of a ‘new deal’ with government, based on the opportunity for engagement as respected partners and a recognition of the need for support of their capacity to help build a stronger and more vibrant civil society.

NOTES

2 See John Hopkins University Study of the UK Voluntary Sector, Kent 1998, and also Kendall J. and M. Knapp the Voluntary Sector in UK, Manchester, 1996