

The Gateshead Compact 2024-2027

Valuing and supporting the VCSE sector in Gateshead

April 2024

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Foreword

Welcome to the Gateshead Compact, outlining how all the partners at Gateshead Health and Wellbeing Board will work together to ensure a productive and successful relationship with the voluntary, community and social enterprise (VCSE) sector in Gateshead.

Gateshead has always had an active and vibrant VCSE sector, with groups and organisations of all sizes making an invaluable contribution to the borough's many and diverse communities. Our health and wellbeing strategy and corporate plan recognises the key role the sector plays both in keeping people connected and well, and as a deliverer of services.

The role of the VCSE sector has changed radically in recent years, with many organisations now at the front line of supporting people with basic needs including food, clothing and warmth. The flexibility and responsiveness of VCSE organisations was recognised and greatly valued during the Covid pandemic and the cost-of-living crisis that came afterwards.

Close working, mutual respect and an understanding of both our strengths and differences are things which we know will be important over the next few years in the relationship between the VCSE sector and public sector in Gateshead.

In recognition of these changes it is more important than ever that we work together with trust, respect, consensus and creativity to support our communities in Gateshead.

The role of the Compact is to:

- Enhance the relationship between the VCSE sector, the Council, NHS and other key public sector partners
- Ensure a sustainable and resilient VCSE sector
- Improve communication, accountability and joint working between the VCSE sector, the Council, NHS and other key public sector partners
- Maximise our collective impact and resources to improve services for Gateshead communities and outcomes for local people
- Deliver the Health and Wellbeing Strategy and use the Thrive approach.

This Compact sets out the basis for our partnership over the next three years. It provides partners with a framework for working with the VCSE sector, with clear commitments on allocating financial resources fairly; promoting equality; consulting and involving the VCSE sector and service users; promoting and supporting volunteering; and sensitively managing changes to services.

We look forward to working with you all on the implementation of this Compact.

Cllr Lynne Caffrey
Chair, Gateshead Health and Wellbeing Board

What is a Compact?

A Compact is an agreement between public sector agencies and the VCSE sector to work together to agreed standards and shared objectives. It formalises shared commitments and priorities, which recognise the value and role of VCSE sector, and outlines how to make these commitments a reality.

Following the principles of the first national Compact in 1998 (revised and relaunched in 2009), local Compacts have typically sought to outline protocols, undertakings and ways of working which manage the relationship between public sector bodies and the VCSE sector. Compacts have always been voluntary, and are designed to demonstrate a shared commitment to joint working, and a process by which any issues can be raised and resolved.

The History of the Compact in Gateshead

Gateshead's first Compact was published in 2002. It set out a range of undertakings expected from each sector and provided a mechanism for closer working between the public sector and the community and voluntary sector. The original Compact also provided a number of Codes of Practice necessary to support this complex working relationship.

This first Compact developed as a series of agreements between individual statutory organisations and the VCS, and was not envisaged as a Gateshead-wide, partnership-based approach.

An updated Compact was developed in 2010. It differed from the original compact in that:

- a. It applied to all members of the Gateshead Strategic Partnership, and was based on a series of objectives which are shared by all partners;
- b. It focused on four key shared commitments and a proactive approach to the delivery of these commitments, and therefore moved away from the 'codes of practice' approach of the previous Compact;
- c. It was based around partnership working to deliver Vision 2030.

This Compact was the winner of the Local Compact Award in the Annual National Compact Awards for 2011. It was recognised as demonstrating the ongoing or long term impact that positive partnership working can have in a local community.

A third compact was written in 2014 and included the following changes:

- a. Recognition of the major changes regarding the financial context for the Council and the VCSE at the beginning of austerity
- b. A re-focussing and prioritising of shared commitments covering maintaining a strong VCSE sector, long term planning and transparency in commissioning, volunteering, and Gateshead Communities Together
- c. Addition to the principles regarding a sustainable and modernised VCSE sector.

The Compact in 2024

The operating environment for the VCSE sector and public sector has changed significantly since the last Compact was adopted. Rates of poverty in the borough are at an all-time high, and health

inequalities continue to perpetuate. The VCSE sector finds itself in a front-line role with both need and complexity of need increasing, and volunteer capacity reducing. The challenging financial environment we all face highlights the need to refocus our attentions working together in co-productive ways to find collective solutions.

Against a backdrop of rising poverty and increasing health inequalities, a refresh of the Gateshead Compact is overdue as both public sector and VCSE agencies find themselves in an ever more critical frontline role with both need and complexity of need increasing.

We've all faced new challenges in the last decade, to include significant welfare reform, a prolonged period of austerity, and a global pandemic followed swiftly followed by a cost-of-living crisis. As a result of these significant national and international events, and natural staff turnover, knowledge of the Gateshead Compact and the practical application of it has fallen away, but the mutual respect between the public and voluntary sector remains, as does the willingness to collaborate.

The VCSE has a key role to play in the development and delivery of Gateshead Council's Thrive Agenda. It will also be key to the development of the Locality strategy, enabling critical services and support mechanisms to reach individuals and communities which may otherwise remain isolated.

For all other public sector partners on the Health and Wellbeing Board, the VCSE sector is an important partner in both the delivery of their services, and in preventing people needing to access them in the first place.

The Health and Wellbeing Strategy has the following aims:

- Give every child the best start in life, with a focus on conception to age two
- Enable all children, young people and adults to maximise their capabilities and have control over their lives
- Create the conditions for fair employment and good work for all
- Ensure a healthy standard of living for all, in accordance with international law on economic and social rights
- Create and develop sustainable places and communities
- Strengthen the role and impact of ill health prevention

These aims rely on our organisations to work together and co-produce solutions across organisational boundaries. They will only be achieved by the public and VCSE sectors working together in a meaningful partnership, supported by the principles in the Compact.

The VCSE Sector: A Definition

A VCSE Organisation is any organisation or group that:

- (1) is established only for charitable, community or social objectives and
- (2) only or predominantly benefits the public (or a section of it) or a community and (3) uses any surpluses only or predominantly to further those objectives, rather than for private gain.

The VCSE sector has had many names over the years – for example Civil Society, the Third Sector, the voluntary sector and the VCS. 'VCSE sector' is the current catch all term that includes any organisation (incorporated or not) working with social purposes. This ranges from small community based groups (Good Neighbour Schemes, 'Knit & Natter' etc.), through to larger Registered Charities

that operate locally, regionally or nationally. VCSE organisations can have a range of informal and more formal structures, depending on their size and remit.

Typically, the organisational structures in the VCSE sector are:

- Unincorporated Association
- Charitable Trust
- Registered Charity
- Charitable Incorporated Organisation (CIO)
- Company Limited by Guarantee
- Company Limited by Shares
- Community Interest Company
- Community Benefit Society
- Co-operative Society

Where VCSE organisations have a company structure, they have a social purpose which distinguishes them from a private company, and they may also be a registered charity.

Social Enterprise describes a *type* of organisation and not a legal structure.

Social enterprises are organisations with primarily social purposes, which generate revenue through trading and reinvest any surplus back into the business or the community they serve. The term 'Social Enterprise' has no legal status and is not recognised by HMRC or any other regulatory body. Social enterprises use many of the same legal forms as other VCSE organisations – most often Community Interest Company, Company Ltd by Guarantee/ Shares, or Co-operative Society.

Section One: Core principles

The Gateshead Compact partners recognise that an independent, diverse and thriving VCSE sector is vital to the wellbeing of society and the prosperity of Gateshead. Voluntary and community action is an essential part of democratic society and life in Gateshead. These are the core principles which underpin the Compact:

Shared Vision: Partners share a commitment to the Thrive Policy Framework and the Gateshead Health and Wellbeing (HWB) Strategy. The policy framework, the HWB strategy and underpinning implementation plan provides a coherent means of partners working together to support the wider health and wellbeing of our communities in Gateshead.

Benefit: Everything we do as partners is done for the benefit of Gateshead, its people and communities.

Realism: All partners have to work within the available resources linked to priorities for the borough and established in consultation with each other.

Respect: Public and VCSE sector organisations are accountable in different ways, and both need to act with transparency and integrity. Effective partnerships are built on mutual understanding, co-operation and an appreciation of the differences between partner organisations.

Honesty: It is only through open communication that strong partnerships can be built and maintained. Full, frank and mature discussions should be the basis for resolving difficulties.

Independence: The independence of the VCSE sector is recognised and supported. This includes the right within the law to campaign, to comment on and to challenge national, regional and local policy (whatever funding or other relationship may exist with government and other public sector partners) and to determine and manage its own affairs.

Diversity: The public and VCSE sectors value a thriving civil society, which brings innovation and choice through a multitude of voices and actions.

Fairness: The public and VCSE sectors will work together to achieve fair decisions. Fairness for everyone, across diverse backgrounds, is a fundamental goal.

Co-operation: By working co-operatively and recognising and focusing on assets, the public sector and VCSE sector can deliver change that is built around communities and people.

Volunteering: Volunteering activities are an important part of citizenship and essential to public life and democracy. All partners will aim to be volunteer-friendly and also volunteering-literate; that is, aware of ways that their actions and decisions may affect community and voluntary activity.

Section Two: Shared priorities for Gateshead

1. Strong, Sustainable VCSE Sector

A shared commitment to ensuring a strong, healthy VCSE sector by providing appropriate levels of funding, which where affordable are linked to inflation. Prior to the commencement of each financial year, and aligned to the Council's budget setting process, any voluntary sector organisations who have a contractual or grant agreement with the Council will have the opportunity to advise of any impact of actual or anticipated cost pressures on their ability to fulfil their obligations under these arrangements. The Council commits to having due regard to this information, and entering into discussions with the sector about options to mitigate such pressures.

All partners have an opportunity to maximise support for the VCSE sector via effective use of social value in procurement processes.

Gateshead Council will work towards building VCSE sector funding into the base budget, as a way of protecting this funding in the longer term. All public sector partners are encouraged to consider this.

All partners commit to considering the best way to provide longer term and sustainable funding to the sector for the delivery of agreed outcomes, e.g. using a grant funding or a procurement approach taking into account the regulations that apply to the partner and the need for fairness and transparency. Grants are often the preferred funding option for the VCSE sector, and we encourage all partners to take a grants-first approach to funding, only using contracts where this is strictly necessary.

2. Long term planning and transparency in commissioning

A shared commitment to working together to provide transparency and objectivity in public sector commissioning and procurement. This will include public sector partners providing clear and annually updated information about the extent of their expenditure in the VCSE sector. It will include implementing full commissioning cycles, which allow the VCSE sector to input fully, and providing co-production opportunities for people with living and lived experience.

A commitment to improved and proportionate contract management, with contracts linked to inflation. For the VCSE sector, this includes the commitment to provide the commissioner with good quality monitoring information regularly, and to receive feedback and engage in dialogue with commissioners.

For new opportunities, commissioners commit to ensuring that thought is given to whether the funding should be in the form of a grant or contract as referred to in point one above, and to ensure that opportunities are widely shared and that the social value provided by VCSE organisations is acknowledged fairly and transparently in assessments.

3. Valuing and enabling volunteering

Volunteers are the lifeblood of our communities. We have a shared commitment to valuing the role of volunteers; removing barriers to volunteering; supporting the take up of opportunities; ensuring an effective infrastructure is in place to support volunteering; and working in partnership to encourage

volunteering.

4. Gateshead Locality working

A shared commitment to the value of local community development, and the role of public sector organisations, VCSE organisations, faith groups and community leaders in engaging people in decisions that affect them, and co production and delivery of services.

Section Three: Our Commitments

Commitment 1: Allocating financial resources fairly

Shared Commitments:

- We will consider carefully whether grants or contracts are the most appropriate method of funding, as opportunities arise.
- We will integrate the principles of intelligent commissioning and procurement and social value into all commissioning and procurement process and policy.
- We will work co-operatively with partners, local people and communities, to inform service development proposals and to ensure resources are used effectively and value for money.
- We will ensure all stages of the commissioning and procurement process are as inclusive as possible.
- We recognise we are working in a fast-changing environment and will be sensitive to the challenges this presents.
- We recognise sometimes our collaborative approaches will cut across traditional boundaries and responsibilities.
- We will share best practice.
- We will share resources, where possible, to help increase our efficiency and effectiveness.

Public Sector Commitments:

- We will move towards co-production and ensure, where appropriate, the involvement of the VCSE sector in a range of opportunities from the earliest possible point in the process.
- All commissioning and procurement activity will consider local markets and the VCSE sector to maximise and embed social value in our communities.
- We will publicise information about funding and procurement opportunities and we will follow realistic, and clearly communicated, timescales. When this is not possible we will explain why this is the case.
- Commissioners will collaborate where appropriate, involve the VCSE sector, and try to align decisions.
- We will seek multi-year funding commitments and engage in joint commissioning and/or procurement where demonstrably appropriate, and in line with our statutory and contracting requirements.
- We will recognise that the VCSE sector is made up of predominantly very small organisations and that their capacity to engage with us is increased if we appropriately fund their time and are thoughtful about our ask of them.
- We will balance the need for accountability and value for money with a commitment to proportionate and effective processes that monitor and evaluate.
- We will adhere to internal codes of practice when making payments to the VCSE sector and these will be clearly communicated.
- We understand that making payments in a timely manner is critical for smaller VCSE organisations.
- We recognise that, in some circumstances, flexible payment arrangements may be required to enable more VCSE sector organisations to engage in financial and service development opportunities.
- We will seek to support the VCSE sector in ways other than funding. This support will

differ between partners and may include, for example, supporting volunteering, in-kind support, or sharing good practice and skills.

- We will be aware of potential opportunities which may benefit Gateshead people and communities and we will share our knowledge with the VCSE sector.
- We recognise new ways of working may involve risk, and may require a supportive approach.

VCSE Sector Commitments:

- We will respond constructively to appropriate opportunities for co-production.
- We will recognise and promote social value in our activities, leading others by example to value the impact of their activity on local communities.
- We will facilitate feedback from service users and communities to help improve delivery of programmes and services and ensure that consultation responses accurately reflect the views and experiences of service users / communities.
- We will share information based on our experience and knowledge to help shape and inform any analysis of the needs of communities and appropriate allocation of resources. We will enter into collaborative partnerships with other VCSE sector organisations and the public sector to develop, and deliver, appropriate services within the context of available resources.
- We will be open and transparent about reporting, recognising that proportionate monitoring is an aspect of good management practice and a reasonable expectation of distributors of funds.
- We will collaborate to achieve better outcomes for residents.

Commitment 2. Promoting equality, community cohesion and social inclusion

Shared Commitments:

- We will work together to agree outcomes and approaches to reduce inequalities in our Borough. The JSNA will help us to do this.
- We will ensure the voices of under-represented and disadvantaged groups, and those with living or lived experience, are heard and taken into account when designing and implementing policies, programmes and services. This will include an assessment of impact.
- We will ensure the decisions we take are fair and transparent and that we have appropriate communication plans in place.
- We will take practical action to eliminate unlawful discrimination, advance equality and ensure a voice for under-represented and disadvantaged groups.
- We will embed service user and carer involvement in the commissioning and procurement process.
- We will seek advice and input from experienced organisations as well as service users and carers.
- We will promote good relations between diverse VCSE sector organisations and between the public and VCSE sector.
- We will do this by communicating clearly and developing and supporting opportunities for collaboration and partnership working.
- We will value good working practices, promoting improved ethical standards to others.

Public Sector Commitments:

- We will work with VCSE sector organisations that represent, support or provide services to people specifically protected by legislation and other under-represented and disadvantaged groups.
- We will recognise good working practices as creating social value and we will support organisations to improve their ethical standards and influence others.
- We acknowledge that organisations representing specific disadvantaged or under-represented groups can help promote social and community cohesion and should have fair access to funding and commissioning and procurement opportunities.
- We will evidence the effects of grant funding, commissioning and procurement through robust evaluation.
- We will respond constructively to feedback from the VCSE sector.
- We recognise and value the perspectives of the VCSE sector in influencing and shaping policy, strategy and practice.

VCSE Sector Commitments:

- We will share our specialist knowledge and best practice to assist the public sector to fulfil its duties under the Equalities Act.
- We will assist public agencies to engage with the community by providing advice on appropriate ways of engaging and by sharing consultation information to users of services and / or members of communities on issues of concern to them.
- We will take practical action to eliminate unlawful discrimination, advance equality and build stronger communities.
- We will represent and reflect the views of people and communities who are often excluded, by using the reach and trust we have developed.

Commitment 3: Consulting and involving the VCSE sector, and service users**Our Shared Commitments:**

- We will use an appropriate range of tools to engage groups and individuals in consultations.
- We will aim to offer 12 weeks of consultation time wherever possible.
- We will work with our partners to find out what is already known and what other consultations are planned, so that we can avoid duplication and explore joint consultations.
- We will only consult on things that we can affect the outcome of, and we will report back on what this is.
- We will consider social value in consultation, to increase the positive impact of our activity on our communities.
- We will acknowledge the contribution of others where it is given.
- We will ensure that consultations are clear about what they are asking and who should answer so that people contributing do not waste their time if it's not appropriate.

Public Sector Commitments:

- We recognise VCSE sector organisations are connected with people and communities and that those relationships can help make consultation more thorough and effective.

- We will facilitate appropriate involvement of the VCSE sector in all key stages of the commissioning and procurement process
- We will work together to minimise rolling over contracts
- We will consider social value in our consultation processes and use information to commission and procure for greater social value impact.

VCSE Sector Commitments:

- We will support local people and communities to be engaged in civil society and to contribute to consultations as appropriate.
- We will be clear about whom we are representing, in what capacity, and on what basis that representation is being made.
- We recognise that some consultations will be subject to statutory requirements or involve significant changes and the desired 12 week consultation time may be different for these.

Commitment 4: Promoting and supporting volunteering

Shared Commitments:

- We recognise that volunteering is the bedrock of the VCSE sector and that volunteering capacity has reduced since the Covid pandemic.
- We recognise that volunteering has positive health benefits for individuals, as well as a positive impact on wider society.
- We recognise volunteering has costs which impact upon the resources and capacity of volunteer involving organisations and we recognise volunteers should not be used as replacements for paid employees
- **Mutual Respect:** We support the idea that volunteers should expect to gain something in return for giving their time, energy and skills. This could include, for example, a sense of worthwhile achievement, useful skills, experience and contacts, sociability and fun or inclusion in the life of the organisation.
- **Recognition:** We recognise volunteers' contribution to the health and wellbeing of the community, public sector organisations, and the social economy and to wider social objectives.

Commitment 5: Sensitively managing changes to services

Shared Commitments:

- We will have mature and sometimes difficult conversations but will maintain relationships as we both work for the benefit of people and communities in Gateshead.
- We recognise that it may be necessary to end or change funding arrangements (for example, when people's or communities needs change, when funding specific activities becomes unaffordable or when funding streams cease). Where changes are necessary, we will work together on understanding the effects, including the wider social impact.
- We will work together to ensure any changes are implemented respectfully.
- We will be aware of and seek to proactively mitigate any potential adverse impact on service users, communities and employees.
- We will engage in consultations to identify future gaps in provision or services.

- We will work together to try to ensure appropriate transition arrangements and/or temporary measures can be put in place to maintain services and / or buildings. However, we recognise that sometimes this may not be possible.

Public Sector Commitments:

- We will consider the potential effects of any proposed change to services, including the wider social impact.
- We recognise the VCSE sector require advance notice when changing or ending a contract or funding relationship or other support and will seek to work to a minimum notice period of 3 months (unless there are exceptional circumstances such as a breach of funding conditions). Many contractual conditions adhere to or, in some cases, exceed this.
- We will discuss the implications of any restrictions or changes to financial resources with the VCSE sector and consider comments before making final decisions. If a programme or service is encountering problems, our first response would be to work with the provider to support performance improvement.
- We will ensure standards of acceptable delivery are clearly communicated and are realistic, providing a reasonable period of time for implementation where improvement is needed.
- We will ensure all parties are up to date with information and changes by using appropriate communication and thinking about the best way to communicate.

VCSE Sector Commitments:

- We will contribute positively and in a timely manner to reviews of services.
- We will advise funders on the social, environmental or economic impact of funding changes, and on ways to minimise their effects on people in vulnerable situations.
- We will highlight any difficulties we are experiencing with delivery as early as possible and seek constructive support.
- We will work creatively to minimise negative aspects of service change, as appropriate.

Section 4: Making the Compact Work

Successful implementation of the Compact will rely on:

1. A robust monitoring, review and accountability structure
2. An ongoing commitment to working together closely, changing cultures and working differently
3. A programme of awareness raising and education about the Compact, particularly for public sector Commissioners. This will be led by Connected Voice in their role as the VCSE Infrastructure Organisation for Gateshead.

Monitoring and Accountability

- The implementation of the Compact will be overseen by a joint oversight group, supported by Connected Voice and Gateshead Council. This is currently the Gateshead VCSE Relations Improvement Group.
- The actions relating to each commitment will be monitored by this group and by Connected Voice in their role as VCSE infrastructure support organisation for Gateshead
- Progress will be reported to the Health and Wellbeing Board annually
- A bi- annual review of the Compact will be undertaken to assess impact and working practices and this will be reported to Gateshead Health and Wellbeing board who will provide guidance on whether or not the outcome of the report demands further scrutiny by Cabinet.
- As part of progress reporting, information will be shared about any positive impacts emerging from using the Compact.

Resolving Disputes

- Each signatory organisation has its own complaints resolution process. This section relates to disputes about Compact compliance.
- The joint oversight group will aim to resolve disputes about Compact compliance as early as possible. This is because disputes can be damaging to relationships and can result in wasted resources.
- Wherever possible the group will work to find a solution that at least partially meets the interests and needs of both parties.
- However, in cases where it has not been possible to resolve a dispute in a timely and satisfactory way, a dispute may lead to a formal complaint via the existing complaints procedure of an organisation.
- Partners accept mistakes can happen and will respond positively when this is highlighted.

Section 5: Signatories:

Gateshead Council, including Public Health

Gateshead Health NHS Foundation Trust

Cumbria, Northumberland Tyne and Wear NHS Foundation Trust

NENC Integrated Care Board at Gateshead Place

CBC Health Federation

Office of the Police and Crime Commissioner, Northumbria and Northumbria
Police

Tyne and Wear Fire and Rescue Service

Connected Voice on behalf of Gateshead VCSE organisations