



Isle Of Wight Compact

A partnership between Isle of Wight Council,
the Isle of Wight Health Trust and the
voluntary and community sector



Isle of Wight Healthcare **NHS**
NHS Trust

Isle of Wight **NHS**
Primary Care Trust

 Rural Community Council
Isle of Wight



Sue Dovey Chief Executive, Rural Community Council

I am pleased to endorse this updated Compact incorporating the new Funding & Procurement Code, which is in line with the national Compact and its re-written Funding and Procurement Code.

Since the first Compact was launched in 2003, much progress has been made. The two health trusts are now involved, and there have been considerable

developments in the relationship between the not-for-profit sector and its public sector partners.

There is much work still to be done to develop other codes, and to make the existing Compact even more meaningful. It is important to make it a working document by constantly referring to it and using it. We need to refer to it whenever we can and keep it alive until the phrase '*Compact way of working*', and all that it means, becomes embedded into our dealings with each other.



Graham Elderfield Chief Executive, Isle of Wight Healthcare NHS Trust

On behalf of the IW Healthcare NHS Trust and Primary Care Trust I am pleased to be able to join and support the Isle of Wight public sector Compact.

The healthcare trusts feel very fortunate and thank the council and voluntary and community sector on the Island for enabling us to work jointly in producing this extremely important document.

Through this document we hope to be able to continue developing relationships with both the council and the voluntary and community sector, and together continue to gain the respect and understanding this partnership requires throughout our organisations.

At this very important stage as the Island is working towards a single health and social care organisation, the Compact is a vital document to assist in this process and enable shared values and respect throughout.



Mike Fisher Chief Executive, Isle of Wight Council

The IW Compact plays a key role in the IW Council's working arrangements with the voluntary and community sector and I am very pleased to confirm the council's ongoing support and endorsement of the Compact.

We are proud of our involvement in the creation of the original Compact and our continuing role in its development. The Compact goes from strength to

strength and has recently welcomed the healthcare trusts into its membership. This is surely an indicator of its success thus far. However, we must not allow ourselves to become complacent. The Compact's success will only accurately be measured by how well we each apply the good practice contained within its pages.

In summary, the Compact provides a symbol of our commitment to each other, to work together in harmony for the benefit of the Island community. Let's ensure we live up to that commitment – together.

1 - Background

The Government has launched a Compact defining the relationship between itself and the voluntary and community sector (VCS). The Government's view is that voluntary groups bring distinctive value to society and engage the skills, interests, beliefs and values of individuals and groups. The public sector agrees with this view and has consequently drawn up this local Compact relative to the council and the voluntary sector on the Island.

The Isle of Wight has a population of 132,719 and is predominantly a rural area with the principal town of Newport at its centre, and a number of towns each playing a role in the economy of the Island. Approximately 50% of the Island is an Area of Outstanding Natural Beauty. The total length of coastline is 65 miles of which 28 miles are lengths of Heritage Coast. In 2005 the South East Plan identified six Super Output Areas in the worst 20%, two in the worst 15%.

The Isle of Wight Council (IWC) is the single unitary authority for the Island, comprising 48 elected Members. It delivers a full range of local authority statutory and other services to the community and, by its nature, is a democratically elected body with political affiliations. The services delivered by the council are disparate and the organisation encompasses five Directorates, each with its own service groupings.

National Health Services on the Island are delivered through the Primary Care Trust and the IW Healthcare Trust, who operate under joint management. Future developments include plans to create a single health and social care trust for the Island.

The voluntary and community sector is diverse, both in the nature of the organisations which it includes and in terms of their aims and objectives. Groups and organisations may be very local or part of a broad national network. They may involve only voluntary effort or may have paid staff and extensive annual budgets. Locally we have:

- Self help or mutual support groups responding to particular conditions (eg medical, unemployment, poverty, disability).
- Organisations which focus upon a particular interest (eg ecological, environmental, religious, social, cultural).
- Groups which work in the community in different ways, either concentrating on particular issues or age groups or localities/neighbourhoods.
- The Rural Community Council (RCC), which is the Island's Council for Voluntary Service (CVS) and the main link between the VCS and the public sector.
- A voluntary sector Forum, which is a representative network, open to all groups and individuals from the VCS. A representative voluntary sector Cabinet is elected annually by the Forum and deals with matters of concern to the sector on their behalf.
- Providers of services to those in need or socially excluded.

A local Isle of Wight Compact

A Compact is about developing better non-political working relationships between the public sector and the voluntary and community sector on the Island. A Compact should be a starting point for developing and improving our partnerships based on shared values and mutual respect.

Common principles

- Both the public sector and the voluntary and community sector share a common objective: to work for the benefit of the communities of the Island and to ensure high quality, accessible services, thereby promoting equality of opportunity and social inclusion.
- There is recognition that both fulfil complementary roles. The public sector supports and recognises the importance of the role of the voluntary and community sector, which contributes significantly to the effectiveness of the public sector's activity and enables both sides to achieve more together than separately.

1 - Background

- It is recognised that a partnership is where all partners are equally important. This means mutual appreciation of each other's roles and objectives as well as mutual acknowledgement of the constraints facing both the Statutory and the voluntary and community sector.
- The public sector acknowledges the independence and diversity of the voluntary and community sector and the Sector's right to challenge, comment or campaign on policy and practice.
- The voluntary and community sector acknowledges the public sector's statutory responsibilities and the constraints placed on it by central Government directives and performance indicators.
- The voluntary and community sector also recognises the decision-making role of elected members and their democratic responsibility to balance the needs of everyone on the Isle of Wight and work within the resources available.

Communication

- The Isle of Wight Council, the health trusts, and all organisations within the voluntary and community sector, especially the Rural Community Council combining its role as Council for Voluntary Services, recognise their responsibility to be channels of communication.
- The Compact Group will be responsible for reviewing communication methods, ensuring that the best use is made of all mediums of communication including face-to-face contact, meetings, newsletters and websites and that information is disseminated in a way that is most beneficial.
- The Isle of Wight Council and health trusts will identify named contacts in departments to help facilitate access to information. The Compact Group will be responsible for publishing details of a network of contacts within both sectors and for ensuring that the details are updated.
- For enquiries relating to the Compact, the Compact Group will be the first point of contact.

- Both sectors will respect the confidentiality of information, when given to it on that basis.

Resourcing and accountability

Funding (includes - Service Level Agreements, contracts or grants)

The public sector will:

- Allocate resources to the voluntary and community sector on the Island against clear and consistent criteria, taking account of the priorities identified within The Community Strategy, the IWC Corporate Plan etc., value for money, and principles of equality, efficiency, effectiveness, sustainability and accountability.
- Allow access to a funding officer for advice and information.
- Inform the voluntary and community sector about its funding priorities and criteria
- Support the infrastructure of the voluntary and community sector, as far as it is able to. Every effort will be made to help voluntary and community organisations develop the capacity to respond to the needs and priorities of service users.
- Aim, wherever possible and appropriate, to foster sustainability through the life of the individual Service Level Agreements in place.
- Give as much warning as possible, usually six months clear notice (timescales may vary), about any changes to the level of funding in contractual arrangements.
- Use plain English, streamlined, transparent and accessible processes and provide feedback to unsuccessful applicants.
- Give consideration to payment of expenses when VCS staff, (paid or unpaid) are asked to participate in joint planning and consultation exercises.

1 - Background

The voluntary and community sector will:

- Recognise and respect the need for accountability and value for money.
- Acknowledge the constraints the public sector works under and its dependency on Government funding and direction on spending priorities.
- Develop quality standards for service delivery that are appropriate to each organisation, without undermining the contribution and involvement of volunteers.
- Make the best use of opportunities provided by local umbrella and infrastructure organisations in order to access information, support and training on fundraising.
- Provide agreed, measurable outputs as specified in the individual Service Level Agreements (SLA) *SMART targets* – see *glossary*.
- Adopt the same commitment to delivering equality, eliminating unlawful discrimination and respecting human rights as adopted by the public sector bodies.

Advice and expertise

The Compact will help make the most of the wealth of knowledge, expertise and experience available in both sectors, by developing mutual advice and support networks.

Joint training

The Compact Group will consider ways of developing sharing and spreading learning across the Council and other public bodies and the voluntary and community sector on the Island.

- A Training Action Plan has been agreed. The IWC Learning Centre has allocated a place on appropriate courses for the VCS. These will be reserved until two weeks prior to start date.

Premises and buildings

The IWC's policy on Council Tax discounts for voluntary organisations will be applied as appropriate. The council and health trusts will hold meetings in accessible venues so disabled participants can attend.

Policy development and consultation

If new roles and responsibilities for the sector are proposed, such consultation should be timely and allow reasonable timescales for response, taking into account the need of organisations to consult their users, beneficiaries and stakeholders.

2 – Compact benefits

The co-operative and collaborative climate created by the Compact will encourage and strengthen the following activities, enabling their more effective and efficient delivery by co-ordinating and improving support and liaison between the public sector and the voluntary sector. This requires active communication between the parties to secure the greatest benefits from new opportunities and existing services.

Partnership working between the statutory and voluntary sectors will allow all parties to optimise and attract money from certain funders.

3 – Equal opportunities and equality

Equality and equal opportunities are key values of both the public sector and the voluntary and community sector. It is felt appropriate therefore to set clear and strict conditions under which all those associated with the Compact will act.

Neither party to the Compact shall treat one group of people less favourably than others because of their colour, race, gender, disability, age, sexuality, nationality or minority group origin, in relation to decisions to recruit, train or promote staff or volunteers, or providing services to others.

All parties to the Compact will have regard to the need to promote good relations between people of different ethnic backgrounds and eliminate unlawful discrimination.

The following legislation and Codes of Practice must be adhered to:

- Commission for Racial Equality's Code of Practice for Employment
- Race Relations Act 1976
- The Equal Opportunities Commission's Code of Practice on employment, discrimination and equal pay
- The Sex Discrimination Act 1975
- The Disability Discrimination Act 1995
- Health & Safety Act 1974
- Crime and Disorder Act
- Any subsequent amendments or relevant new legislation

4 – Mediation and Arbitration

If any dispute or difference should arise between the Council, the health trusts and the voluntary and community sector in connection with, or arising from the Compact, it shall be referred in the first instance to the following contact officers:

- Isle of Wight Council: Compact mediation officer, complaints section. tel: 821000
- Council Voluntary Services: RCC. tel: 524058
- IW NHS Health Trust: Public patient involvement coordinator. St Mary's Hospital. tel: 524081

If the matter cannot be resolved informally at the first stage, then the dispute is brought before the Compact Development Group (comprising of representatives from the public sector and the voluntary sector) who will reach a decision on a way forward. It will aim to reach a consensus of opinion. This process may involve liaison with:

- Departmental contacts
- Heads of directorates
- Chief officers of voluntary sector umbrella bodies

It is, however, recognised that where services are purchased by the public sector from the voluntary sector through a contractual or Service Level Agreement process, the contract or agreement will often have its own defined procedure to be followed in the event of default or dispute. The mediation process outlined in the above paragraph will not therefore apply to any disagreements which are governed by such contractual procedures.

5 – Funding and Procurement Code

Funding Code

Introduction

This code of practice is a supporting document to The Isle of Wight Compact – A partnership between the Isle of Wight Council (IWC), the IW Health Trusts (hereafter collectively referred to as 'the IW public sector') and the voluntary and community sector (VCS). It aims to have a positive effect on the funding and resourcing relationship.

This Code is based on guidance from national policy documents such as:

The National Compact Code of Good Practice

'Towards a strategy for working with the voluntary and community sector to deliver outcomes for children, young people and families' (Department for Education and Skills)

'The Cross Cutting Review of the role of the voluntary sector in public service delivery' (HM Treasury 2002)

'Think smart...think voluntary sector' (OGC 2004)

A Rural Strategy 2004 (DEFRA)

Guidance to Funders (HM Treasury 2003)

It also underpins the local *'Funding and Procurement code'* between IWC and the VCS

Aim

The IW public sector recognises voluntary/community organisations as valued partners in delivery services and care. As such they are committed to fairness across all contracted bodies, irrespective of whether they are public, private or voluntary/community sector organisations, and to deal in open partnership with them in negotiating service contracts. Where IW public sector organisations enter into Service Level Agreements or contracts with the voluntary/community sector (VCS) they will have clear outcomes and expectations.

The intention is to ensure fair and equal access to funding, regardless of race, gender, disabilities or age.

5 – Funding and Procurement Code

Key principles

- Acknowledgement that the VCS is independent.
- Fair and equal access to strategic, project and contract funding.
- As equal partners, there should be a joint approach to contract development, monitoring and evaluation
- Clarity of funding conditions.
- Accountability of both parties.
- Consistency of approach across IW public sector.
- Recognition of full cost recovery.
- Mutual desirability of long term financial and organisational planning, including the aim to move to longer term contracts.
- Support for the VCS's infrastructure.
- Value for money.
- The development of standard contracts.

The Isle of Wight public sector Compact states that:
Funding includes: Service Level Agreements, contracts or grants.

The IW public sector will:

- Allocate resources to the VCS on the Isle of Wight against clear, transparent and consistent criteria, taking account of priorities and value for money, and principles of equality, efficiency, effectiveness, sustainability, accountability and quality.
- Inform the VCS about its funding priorities and criteria.
- Support the infrastructure of the VCS to help voluntary and community organisations (VCOs) develop the capacity to respond to the needs and priorities of service users.
- Be mindful of the need for VCOs to plan and set their budgets by liaising with them in a timescale that will facilitate good management and forward planning.
- Respect the voluntary and community sector's independence and its right to challenge, irrespective of any funding relationship that might exist.

The voluntary and community sector will:

- Recognise and respect the need for accountability and value for money.
- Acknowledge the constraints the public sector works under and its dependency on Government funding and direction on spending priorities.
- Develop quality standards for service delivery that are appropriate to each organisation, without undermining the contribution and involvement of volunteers.
- Comply with the accounting procedure for charities.
- Work in partnership to maximize grant income from central Government and other sources.

Grants

Where possible the IWC are moving to contracts. This would allow voluntary/community organisations to plan for their financial and organisational requirements. Funding for innovative projects outside the normal departmental criteria may be available if the application can show that the project will enable the IWC to achieve priorities as set out in the Corporate Plan.

Contracts/Service Level Agreements

To be underpinned by the following principles:

- Transparency of funding criteria
- Funding programmes should support IW public sector objectives and priorities
- Whenever there are funding programmes there should be a timetable showing when these become available
- Documentation will be required in support of funding applications; this will be appropriate to the value of the funding being sought and the size of the organisation
- Monitoring to be appropriate to contract size
- Action will be taken in the event of an under spend

5 – Funding and Procurement Code

- Outputs will be required
- In the case of large grants and annual funding, an agreement will be issued and signed before payment commences
- Development of standard contracts with common terms and conditions
- A named contact for both parties to be included in all contracts
- That appropriate attention is given to Article 19, European Parliament Directive, supported employment reference

Full cost recovery

Core costs

All voluntary and community organisations have fixed or overhead costs and the movement should be towards full cost recovery. IW public sector on the Isle of Wight, in line with central Government guidance, recognise that it is legitimate for service providers to include the relevant element of overhead costs within bids for service contracts or Service Level Agreements.

Inflation costs

The following principles will be used for funding inflation:

- The IW public sector recognises that providers from all sectors – private, VCS and public – incur inflationary costs in provision of services within contracts and Service Level Agreements.
- Where such contracts exist IW public sector contractors will seek to pass on to VCS contract holders any inflation increases it receives through allocation.
- Where cost efficiency targets are included within the allocations received by IW public sector organisations, the voluntary/community and private sectors will work in partnership with IW public sector organisations towards achieving such targets. This

may include either additional activity within the given funding or reduced funding.

- Inflationary increases may legitimately vary between different organisations or sectors. Where this is the case the reasons and principles should be explicit but should not breach commercial confidentiality.
- Where inflationary increases negotiated with voluntary/community organisations differ from those awarded to either private or IW public sector, the reasons for such variation will be made explicit and publicly stated.
- Where the level of funding (based on resources received from Government) falls below the level of local inflation, discussions regarding the impact of this will take place, in open partnership with all relevant parties, and consequences agreed.
- Inflation funding principles will be explicit within Compact Agreements.

The above would not apply to grant funding where there are no specific contractual agreements regarding activity/outcomes. Separate agreement would be required with regard to grant funding

Funding principles will be subject to regular review in light of any statutory or regulatory requirements.

Duration

Because short-term agreements affect the viability of VCOs, contracts or Service Level Agreements for the provision of services which meet well-established needs, are likely to require a minimum of three years' duration and consideration will be given to inflation. The following principles will apply:

The duration of a Service Level Agreement or contract should be made clear before any agreement is reached. The duration should reflect:

- The availability of funding.
- The cost of re-tendering or re-contracting for all the parties.
- The nature of the project or activity.

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- The competitiveness of the provider market.
- A realistic assessment of the time it takes to develop and establish projects or activities.
- Due regard to central Government advice and policy.

Where funding is at risk of ceasing or reducing, the council will apply a three month minimum period of notice. In cases of funding ceasing, the period of notice should be made at the earliest opportunity but at the latest by the beginning of January.

Where funding is to be reduced, the period of notice shall be given as early as possible but, at the latest, at the start of the oncoming financial year. Full payment should be made in the first quarter and any savings to be found in the final three quarters of the year.

This would offer the VCOs the very best chance to reduce the practical problems experienced with loss of funding and allow for forward planning of resources.

Disputes

A contract should set out a fair and proper procedure for the resolution of disputes, brought by either party, encouraging a resolution by mutual agreement. If this fails, the contract should make provision for the dispute to go before an independent person, then to mediation, and finally arbitration. The specific details of the dispute process should be included in the standard terms of each contract.

Payment

Payment should be by either monthly or quarterly instalments in advance.

Termination

The circumstances in which contracts or service agreements may be terminated before their expiry date should be made clear before any agreement is reached. Contracts should provide a fair and proper procedure

for speedy termination in the event of default by either party.

‘In kind’ support

Advice and expertise

The Compact will help make the most of the wealth of knowledge, expertise and experience available in both sectors.

Joint training

The Compact Development Group will identify and develop ways of sharing and spreading learning across the sectors, ensuring development and improvement in the way the two sectors work together. Activities might include joint training in areas such as IT and quality issues, health and social care workforce development, child protection etc.

Premises and buildings

Both sectors will assist each other with buildings, premises and equipment. Charges may be appropriate.

Monitoring and evaluation

The following definitions apply:

Monitoring is the routine collection and recording of information, sometimes against statutory performance indicators, on the activities of an organisation. It provides information on what an organisation is doing, but makes no judgment about the value of the outcome or results of those activities.

Evaluation is the assessment of the value of a project, piece of work, or service.

Monitoring and evaluation are an important part of the funding process because:

- IW public sector need to ensure that the organisation is doing what it is supposed to be doing – providing a good service with value for money.

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- The organisation providing the service will wish to prove to itself and to others that it is providing the best possible service – meeting needs, and delivering what it is funded or contracted to do.
- Review – the IW public sector and the provider will jointly annually review the purpose and outcomes of the service, to ensure the objectives are being met and developed. (This applies to contracts and SLAs of three years or more).
- Staff in funded organisations must be clear about the agreed outputs and objectives, the extent of monitoring and evaluation in connection with contract compliance.

Before a monitoring process is undertaken, organisations will be told:

- Who needs the information and why
- The type of information needed and how it is to be presented
- Who is responsible for gathering the information
- Agreed time and method for collecting information

It is likely that some or all the following areas will form the basis of the monitoring and evaluation process:

- The organisation's work programme and projects; what services it provides; who provides those services – staff, volunteers etc – and in what way; how people find out about or access the service; what measures are in place to obtain users' views
- How and when the money is spent; effectiveness of financial information; how and when premises are used and by whom; what facilities and equipment are available; what users think of them
- How the organisation allocates time to various types of work and how they fit together; how the time of paid staff and volunteers is organised and how they contribute to the service
- The organisation's decision-making processes; who is accountable to whom; the effectiveness of the organisation's management structures
- How needs are being met and the level and nature of unmet needs

- Added value of contract
- The monitoring and evaluation process will be appropriate to the amount of funding and whether or not it is renewable
- Monitoring requirements at each level need to be established and agreed
- Recognition of the value of outcome reporting.

Financial reporting

Financial monitoring reports and their frequency should be commensurate with the scale of the funding involved. Information requirements should be clearly stated before funds are agreed, and include the roles and responsibilities of each party.

Reserves

In assessing how much assistance an organisation may require, the IW public sector will wish to take into account the level of reserves held, the extent to which they are unrestricted or restricted and the purposes for which they may be restricted. Reserves are defined here as any funds which are not required in order to cover the day-to-day running of the organisation in the current year. Reserves may be 'earmarked' – held for a specific purpose such as a planned building project.

Inflation

See Inflation costs.

Accountability

Both the voluntary and community sector and the IW public sector have a shared responsibility for the expenditure of public funds.

Responsibilities of the IW public sector

The above must provide for the effective protection of and proper accountability for public money and seeks evidence of procedures that support good regulation.

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Individual departments in relation to budget demands, determine the amount of business to be awarded to voluntary and community sector providers. Individual applications for support would be considered.

Responsibilities of the voluntary and community sector

The VCS recognises that receipt of public funds carries with it responsibilities to the funding body and to the public who benefit from the services provided. The sector undertakes to pursue good practice in the use and administration of public funds appropriate to the scale of funding and operation covering:

- Clear and effective policies.
- Effective and proportionate systems for the management, control, accountability, propriety and audit or examination of finances.
- Compliance by organisations that hold charitable status with the accounting framework for charities and appropriate guidance from the Charity Commission on funding.
- Systems for planning and implementing work programmes.
- Systems for monitoring and evaluating activities against agreed objectives.
- Systems for quality assurance and accountability to service users, including complaints procedures.
- Promotion of examples of good practice.

Mediation

As far as possible disagreements over the application of the framework of the Isle of Wight Compact and this Code of Practice should be resolved directly between the parties involved. However, where there is still disagreement, both parties have access to the Compact Mediation Procedure.

Conclusion

It is intended that this document will evolve as the working relationship between the two sectors develops. Reference can be made to the Compact Development Group if it is considered that this code has been breached. Also, the complaints procedures for each IW public sector body are available.

Procurement Code

For Isle of Wight public sector to acknowledge with regard to the voluntary and community sector as potential public service providers.

Why consider the voluntary sector as a provider/supplier of services?

- Specialist knowledge and experience.
- Independence and freedom from institutional or shareholder pressures.
- Innovation.
- Responsiveness – alert to change in markets, lack of bureaucracy.
- Economies of scale.
- Niche markets.
- ‘Heineken’ effect – touches the parts others do not reach.

Increasing VCS participation in the procurement of services

The IW public sector will:

- Consult early with suppliers when policy is first being formulated.
- Seek supplier input in developing policy outcomes/ outputs as services are being shaped.

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- Endeavour to develop clear procurement strategies.
- Develop straightforward tender documents and provide support where necessary.
- Give feedback post contract to ensure continuous improvement.
- Develop mechanisms for publicising tender opportunities with the VCS

Developing the supplier base

The IW public sector will:

- Maintain a dialogue with suppliers – get to know their capabilities and interests, and perceived barriers in bidding for and gaining contracts.
- ‘Meet the Buyer’ events will take place and use will be made of existing networks such as those managed by the local Council for Voluntary Services (CVS) at the RCC.
- Inform VCOs about other organisations which could help them.
- Produce a ‘How to do business with the IWC’ guide providing potential suppliers with the information they need to bid effectively for contracts. This guide will be accessible via the IWC website www.iwight.com and through other mechanisms.
- Assess thoroughly all applications from VCOs wishing to become a supplier and where possible a meeting or visit will be arranged.
- Name a contact, which will be published for VCOs making general enquiries about procurement. Enquiries will be dealt with promptly and positively.

Establishing policy and defining the need

The IW public sector will:

- Ensure early supplier involvement when planning new policies and programmes.

- The CVS networks will be used for informal consultation with VCOs to test viability, tap knowledge and expertise, establish the extent of existing provision, and generally gain a supplier perspective to help shape policy and procurement strategy.
- VCOs will understand that no potential provider will be given an unfair advantage in competing for a specific contract.
- Sub-contracting will be permitted and encouraged thus making provision for specialist services. This will also have the benefit of helping smaller VCOs to break into the IW public sector marketplace and gain confidence in dealing with public procurement.
- Where it is relevant to the performance of the contract, tenderers will be asked to set out any proposals for engaging with local bodies such as VCOs.
- Careful attention will be given to the optimum length of the contract. Consideration will be given to whether or not a longer-term contract or partnership would best achieve the desired programme outputs. Normally, a minimum of three years will be considered a sensible length of contract.

Publicising Contract Opportunities

The IW public sector will:

- Provide as much notice as possible of forthcoming procurement activity. A section about future tenders will be posted on the council website.
- Publicise opportunities widely, particularly lower value ones, utilising the trade press, local press and relevant websites and also send emails to suppliers who are known to us, alerting them to the advertisement.
- Provide information about sub-contracting opportunities for the voluntary and community sector, by encouraging prime contractors to advertise opportunities for sub-contracting and partnership work on the website.

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- Use a supplier list where appropriate. If procurements are below EC thresholds, then use of a direct approach can be a simple and cost effective strategy. The list will be refreshed regularly, and the process will be an open one, making it easy for new suppliers to join.
- Publish a named contact point where suppliers can get information about both current and forthcoming tenders.

Pre-qualification procedures

The IW public sector will:

- Ensure that the information required at the pre-qualification stage is proportionate to the size and complexity of the contract.
- Request only two years of accounts in accordance with Government guidance. Other appropriate information will be considered if the above is not available.
- Acknowledge that the largest suppliers with the most extensive track record are not the only options. Suppliers will be selected on the basis that they are financially sound and capable of delivering the solution.

Drawing up the specification

The IW public sector will:

- Focus on outcomes and not on how they are to be delivered. The achievement of outcomes will be used as a key indicator of success in service delivery.
- Involve relevant stakeholders in the development of a specification to ensure it properly reflects the requirements for delivering the service.
- Consult with suppliers. Consultations will not lead to a specification that favours a particular supplier.

- Be alert to how the specification is assigning risks. Risk needs to be handled properly and sensibly and will be allocated to the parties best able to manage them. Decisions on where risk best lies should not be made without appropriate research and consultation.
- Use clear and concise language, avoiding jargon.

Invitation to tender

The IW public sector will:

- Explain the procurement process and timetable, and what will be required from suppliers, at the outset.
- Consider offering training to potential suppliers who may be unfamiliar with the tendering process. This will give them a better chance of preparing a competitive tender.
- Ensure tender documentation is concise and jargon-free.
- Ensure that the procurement is based on a sound business case, approved budget and appropriate stakeholder buy-in to avoid an aborted or delayed procurement.
- Set a realistic timetable informed through appropriate consultation with suppliers.

Contract and payment terms

The IW public sector will:

- Consider whether advance payments are appropriate particularly where start up costs need to be covered.
- Consider the use of frequent milestone payments linked, for example, to stages of completion or the achievement of particular outcomes.
- Pay promptly in accordance with arrangements stipulated in the contract.
- Ensure that the contract terms are proportionate to the scale and complexity of the contract and that they will not be likely to exclude VCOs unnecessarily

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Evaluation and clarification of tenders

The IW public sector will:

- Inform tenderers about the evaluation process at the outset.
- Regard the clarification process as an opportunity to work with all bidders to address any misunderstandings or omissions in their bids.
- Allow the VCOs the freedom to determine their own price in competition in the same way as the private sector.
- Be aware of any special factors that may affect pricing or contract terms – for example, recognising the logistical difficulties of delivering services in rural locations.

Award of Contract

The IW public sector will:

- Feedback – this should be as helpful as possible and designed to promote future improvement.
- Inform VCOs that feedback is available.

Managing the Contract

The IW public sector will:

- Seek early supplier involvement in the design of contract management procedures to ensure viability and effectiveness for both sides.
- Make arrangements for contract management clear in the tender documentation.
- Focus management reporting on measuring key outputs/outcomes, not burdening VCOs with onerous reporting requirements relating to processes or frequent contract review meetings.
- Be sensitive to the impact that changes in the requirement can have on VCOs and allow realistic timescales for the implementation of changes in the contract requirement.

- Encourage and motivate VCOs to come forward with ideas for better ways of working which can lead to benefits for both parties. After a contract has been awarded and services have been delivered for a while, often improvements and cost savings can be identified.
- Encourage prime contractors to make sub-contracting opportunities available to the VCS.
- Develop a good working partnership with the supplier and try not to escalate problems unnecessarily. Ensure that the contract allows for user-friendly and cost-effective mediation or alternative dispute resolution.
- Acknowledge the framework of the Compact as the philosophy for good partnership working.

6 – Monitoring and Reviewing the Implementation of the Compact

The IWC, health trusts and the voluntary sector are jointly committed to monitoring and reviewing the Compact annually in order to assess its continuing effectiveness and impact.

The Compact Group will meet at regular intervals to:

Set out an agreed action plan with SMART (see glossary) targets and outputs

- Monitor progress against agreed measurable action points and provide regular feedback to the responsible heads/committees of each partner.
- Determine criteria for evaluating success on an annual basis.
- Develop more detailed codes of good practice on the various sections in the Compact, as the need for them becomes apparent. These will need to be adopted as appendices to the Compact.
- Identify any new tasks that need to be undertaken and review existing. The results of which will form the basis of the Compact Review.

- Review the composition of the Compact Group and consider setting up any necessary sub-groups.
- Identify contact officers within each council and health trust department

The Compact Group will consider and set up appropriate mechanisms for resolving conflicts and complaints.

All sectors will undertake:

- To report to their members and constituents on an annual basis (a process to be defined in the implementation plan).
- Demonstrate commitment to, and share responsibility for, implementing and reviewing the Compact.
- Distribute the Compact widely and provide induction and training within their organisations to raise awareness of how the agreement affects joint working.

7 – Members of the Compact Group

Membership shall be split approximately 50/50 between the public and not-for-profit sectors.

The IWC shall be represented by:

- Community partnerships manager
- Diversity officer.
- Adult & community services manager.
- Children's services manager.
- Member of the ruling group.
- Another interested member

The not-for-profit sector shall be represented by:

- Chief Executive RCC.
- CVS Manager.
- Four not-for-profit organisations.

In addition the health trusts shall be represented by:

- Lead officer for both trusts.
- Support officer for both trusts.

Groups nominating/providing members will indemnify those members for any activity undertaken in relation to the group.

Whilst it is acknowledged by both sectors that this Compact is not a legal document, both will endeavour to work within the spirit of the Compact and make it meaningful.

8 – Aspirations

- Giving consideration to the development of a Timebank reward system to volunteers, using vouchers for IWC outlets. This should be regarded as being of benefit to all partners: the IWC gains extra business, the volunteers are acknowledged, and organisations gain a tool to help recruit and retain volunteers.
- Investigate regional peer group reviews.

Glossary

Consultation is the process of seeking and listening to views within defined parameters. This includes seeking information and advice about future decisions, and testing the impact of decisions, which have already been taken.

Contracts record the agreement between the commissioner of a service and the provider of the service. It specifies the service to be delivered and the arrangements for delivering and paying for it. Arrangements for monitoring and ending the contract are included. Contracts are legally binding.

CVS Council for **V**oluntary **S**ervices.

Diversity means the variety and difference within voluntary and community groups and the local community.

Evaluation is the assessment of the value of a project, piece of work, or service. Its purpose is to help an organisation decide whether it is achieving what it wants to and if it needs to do anything differently.

IW health trusts refers to the existing Primary Care Trust (PCT) and IW NHS Healthcare Trust.

Monitoring is the routine collection and recording of information, sometimes against statutory performance indicators, on the activities of an organisation. It provides information on what an organisation is doing, but makes no judgement about the value of the outcome or results of those activities.

Partnership is when one or more organisations work together to achieve a shared and clear set of objectives. There is a clear understanding of the contribution of each organisation, which takes into account their differences, and there is equal respect for the role and experience of all partners. A successful partnership depends on the sharing of information and decision-making.

Public sector – IW Council and IW Health Trusts.

Service Level Agreements are written contracts, which set out how two organisations will work together over an agreed period. They are not as onerous as a typical contract and usually contain less legalistic language but may be legally enforced.

SMART Specific: **M**easurable: **A**chievable: **R**ealistic: **T**ime-specific.

Statutory Sector is the name given to organisations created through Acts of Parliament whose functions are determined by the law. Local authorities, including parish and town councils, are democratically elected and are accountable to the voters and central government. They have legal responsibilities for the social well-being, economic development, environment and health of the people they serve. Other statutory agencies, such as health authorities and the probation, police, fire & rescue and ambulance services, are not directly elected and are accountable to the appropriate Secretary of State.

VCS voluntary and **C**ommunity **S**ector.

VCO voluntary and **C**ommunity **O**rganisations.

Voluntary organisations are: formally structured; not-for-profit (although they may make surpluses); independent and not part of government; managed by unpaid, voluntary management committees or boards of trustees; have paid employees and volunteers; may be registered charities and/or companies limited by guarantee

Community organisations are: local community and self-help groups; more informal; often made up entirely of volunteers; any staff are likely to be part-time; independent; without regular income or funding.

Trustees are the group of people responsible for the control and management of a charity, which includes members of a charitable association's management committee and directors of charitable companies. Certain specific statutory duties arise from being a trustee.

Umbrella organisations – also sometimes referred to as intermediary organisations – are an important force in the voluntary sector, fulfilling four main functions: development, services to other organisations, liaison and representation. However, it is acknowledged that not all umbrella organisations perform all of these functions (Deakin Commission 1996).

Users are the people who benefit from or use a service. They are also called customers, clients, consumers, beneficiaries, recipients.

Volunteering is an activity that a person – volunteer – chooses to undertake, whereby they do something to benefit either an individual or a group (not relatives) or to benefit the environment, for which they receive no payment.



Isle Of Wight Compact

A partnership between Isle of Wight Council,
the Isle of Wight Health Trusts and the
voluntary and community sector



Isle of Wight Healthcare **NHS**
NHS Trust

Isle of Wight **NHS**
Primary Care Trust



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