

Report of: Director of Communities and Environment

Report to: Executive Board

Date: 18 April 2018

Subject: Endorsement of the Compact for Leeds 2017

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The delivery of the Best Council Plan priorities is dependent on effective partnership working and an enabling approach which encourages all partners to play an active role and make maximum impact in the city. Maintaining and developing the range, reach, capacity and skill of the third sector is critical to the delivery of the Best Council Plan.
2. Leeds has a large and diverse third sector with over 3500 organisations from the smallest neighbourhood community group to major providers of services and Leeds is recognised as a centre for best practice for its partnership working with the third sector. Indeed, the Council is valued for its strong leadership and commitment over many years to sustain and develop a thriving sector that can deliver the best outcomes for the city and its citizens.
3. The Compact is one part of the strategic infrastructure which creates the conditions for the thriving third sector that the city needs and benefits from, providing a framework to strengthen and guide working relationships. Leeds launched its first Compact in 2003 and it has been revised every 2 or 3 years in order to reflect the changing operating context and to drive best practice.
4. The Compact 2017 and the supporting Codes have been developed and approved by the Third Sector Partnership, which is chaired by the Executive Member for Communities. Partners including Leeds City Council, NHS Leeds Clinical Commissioning Group, University of Leeds, Leeds Beckett University and Third Sector Leeds were formally invited to endorse the Compact and supporting Codes at the meeting of the Partnership in late January 2018.

Recommendations

It is recommended that Executive Board:

- 1.1 Endorse the Compact for Leeds 2017 and the supporting Codes of Practice and adopt them formally for Leeds City Council.
- 1.2 Request the Executive Member for Communities, Leeds City Council Directors and the Operational People's Commissioning Board to support the continued and further development of a thriving third sector, enabling staff to implement and work within the spirit and practice of the Compact and the Codes and to contribute to the evaluation of their impact.

1. Purpose of this report

- 1.1 To seek Leeds City Council endorsement of the Compact for Leeds 2017 (Appendix 1) and the supporting Codes of Practice on Commissioning and Working Together (Appendices 2 and 3) and to secure support around promotion and implementation.

2. Background information

2.1. Why we have a third sector Compact

- 2.1.1 The Compact for Leeds sets out a framework to strengthen and guide working relationships between public and third sector partners.
- 2.1.2 It is a key part of the approach and strategic infrastructure which creates the conditions for a thriving third sector. This enables the 3500 plus organisations that make up the sector to contribute to the delivery of the best outcomes for the citizens of Leeds and the Best Council Plan priorities. Details about Council third sector responsibilities and partnership arrangements and key policy documents can be found at Appendix 4. The Leeds Third Sector Ambition Statement can be found at Appendix 6.
- 2.1.3 The third sector is playing a role in the delivery of many of the key city agendas, including: creating a compassionate city; building safer, resilient and more self-sufficient communities; delivering better health and well-being outcomes; increasing access to good quality housing and reducing homelessness; supporting community engagement in priority areas and communities; safeguarding vulnerable children and adults; supporting children and young people to reach their potential; reducing waste and improving the environment; providing a route to training and employment for marginalised communities and individuals with additional needs. In addition the sector is often responding to unforeseen or underestimated needs, like the growth of the food bank network or acting in crisis situations, such as the flooding in 2015. It is essential to have an operating framework that enables and supports the wide range of organisations and activity to make maximum impact.

2.2 The History of the Compact in Leeds

- 2.2.1 The Compact for Leeds 2017 is the sixth iteration of the Compact. Work on the first Compact began in late 2000 and it was launched and endorsed by public and third sector partners in early 2003. It has been reviewed and refreshed every 2 to 3 years in order to respond to the changing operating context, to drive good practice and to respond to significant challenges in the city and within the sector.

2.3 The Compact as a tool for change

- 2.3.1 Previous Compacts have been a key tool in shaping and facilitating improved and effective relationships and good working practice.
- 2.3.2 The aspirations set out in the first Compact's in Leeds are now everyday practice and policy, for example: third sector representation on city partnerships, public and third sector co-production, cross sector data sharing, stakeholder engagement in commissioning, decommissioning protocols, co-location and community development
- 2.3.3 Many of these practices are so embedded that the majority of colleagues are unaware of their origins. Commissioning colleagues are the most likely to have knowledge of the Compact and cite it as an aid in their work.

- 2.3.4 The Compact for Leeds 2017 continues in the tradition of driving transformational change in the policies, practice and culture around working relationships with and expectations of the third sector. It includes for example new principles focusing on Maximising Social Impact and Building Resilient Communities. It is supported by the development of two Codes of Practice focusing on Commissioning (Appendix 2) and Working Together (Appendix 3)
- 2.3.5 Particularly significant is the development of the Leeds Commissioning Code of Practice (Appendix 2). LCC and NHS commissioning colleagues note that whilst this has been developed with a focus on the third sector, it will have application and influence over all commissioning.
- 2.3.6 This Code is seen by Council and NHS colleagues as a key vehicle for facilitating greater consistency and coherence across NHS and LCC commissioning practice. It has been developed through a process of close collaboration with senior NHS Leeds CCG colleagues, senior Council officers and third sector partners.
- 2.3.7 The process of scoping, consulting and drafting the Compact 2017 has been an exercise in cross sector collaboration and co-production. Integral to the task has been the focus on equality, inclusion, cohesion, equity and fairness.

2.4 Accountability and Implementation:

- 2.4.1 Development and oversight responsibility for the Compact for Leeds sits with the Third Sector Partnership, which is chaired by the Executive Member for Communities. Details about third sector responsibilities and partnership arrangements can be found at Appendix 4
- 2.4.2 Details about consultation on the development of the Compact 2017 can be found at Appendix 5

2.5 The Compact for Leeds 2017

- 2.5.1 The Compact for Leeds is still an agreement which focuses on strengthening working relationships between public and third sector partners in order to deliver the best possible outcomes for the people of Leeds.
- 2.5.2 Following consultation and dialogue Third Sector Partnership agreed to update the focus and content of the previous Compact 2013, in the following ways:
- Simplify the structure of the Compact – Compact Leaflet, Standards and Codes of Practice
 - Add a new principle, *Maximising Social Impact*
 - Change the focus of the principle on resources in the previous Compact, to an emphasis on partners working together to *Maximise the Impact of Resources*
 - Refocus the principle about community action to *Building Resilient Communities and a Dynamic Third Sector* enabling resilient communities
 - Develop Codes of Practice for working together and commissioning
- 2.5.3 The Compact for Leeds 2017 now sets out the following Principles to guide practice:
- Maximising Social Impact
 - Working Together
 - Engaging Communities
 - Building Resilient Communities and a Dynamic Third Sector
 - Sharing Information

- Maximising the Impact of Resources
- Promoting Volunteering
- Promoting Equality, Fairness, Good Community Relations, Equity of Outcomes for All

The Principles are accompanied by Standards, which provide guidance around implementation. The Compact can be found at Appendix 1

2.6 The Codes of Practice

2.6.1 As part of the consultation around the Compact refresh it was agreed to create Codes of Practice to support and encourage best practice and coherence around Commissioning and Working Together. These can be found at Appendix 2 and 3.

Details of the colleagues involved in leading on the drafting of the documents can be found at Appendix 5

2.6.3 Whilst there is significant and well established joint working between NHS CCG and LCC Adults and Health colleagues, collaboration on the development of the Commissioning Code has been welcomed as an opportunity to deepen their mutual understanding of the requirements and parameters of their respective operating regimes, with a chance to agree shared underpinning principles and expectations around practice and to capture these in one document.

3. Main issues

3.1. The Challenge:

3.1.1. Numbers:

There are in excess of 3500 third sector organisations operating in Leeds.

3.1.2. Investment:

LCC invested £135m in over 1600 individual third sector organisations in 2106/17. This ranges from multi million pound contracts for major social care services to small grants of tens of pounds to support the activities of the smallest neighbourhood group.

NHS Leeds CCG invested £14m into third sector organisations in 2016/17 and over £2m in a third sector health grants programme between 2015/18.

3.1.3 Impact:

The sector is integral to much of the everyday community based infrastructure of Leeds that supports people from birth to death and through the good and bad times in their lives.

- Regardless of their wealth or status the majority of people have contact with or benefit from a voluntary or community organisation, like sports clubs, pre-school groups, friends of parks groups, counselling services, St John's Ambulance and the hospices.
- For some citizens the contact or service provided by a third sector organisation is a lifeline. For others the opportunity to get involved in a community led organisation is transformational for them and their community.

3.2 The investment in the sector is substantial. The number of third sector organisations operating in the City is significant and the city and the citizens of Leeds are dependent on this apparently fragmented and frequently invisible, yet major supporting infrastructure. To ensure good practice in delivery and equity and inclusive investment processes requires a city wide framework setting out minimum expectations.

- 3.3 The sector is a net city contributor, including adding value through volunteering, drawing in external funding and donations, building partnerships with the private sector, providing significant employment opportunities and contributing to the Leeds economy as it trades.
- 3.4 In the same way that the City and the Council has focused on creating the infrastructure and favourable operating conditions to build a strong economy and business sector, so it has to ensure that the building blocks are in place to support a diverse and thriving third sector, that can respond to current and future challenges and opportunities and contribute to the delivery of the Compassionate City objectives.
- 3.5 Leeds is recognised as a beacon of good practice in terms of its relationships with the third sector. The Council's leadership and commitment to the Compact as a way of working across organisational boundaries and the support for the Third Sector Partnership, has helped to deliver the thriving and diverse sector that Leeds benefits from today.
- 3.6 The Compact is a fundamental dimension of the supporting policy and operating framework which facilitates the effective and significant contribution made to the city by the third sector.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 The process of scoping, consulting and drafting the Compact 2017 and the Codes has been an exercise in cross sector collaboration and co-production. Integral to the task has been the focus on equality, inclusion, cohesion, equity and fairness.
- 4.1.2 Appendix 5 includes more detail about the drafting, consultation, engagement and co-production with key partners and other interested parties.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The drive to facilitate equality, diversity, cohesion, inclusion and equitable outcomes is at the core of the Compact ambitions. Consideration of these objectives has been embedded in the review, revision and redrafting process and is integral to the on-going implementation of the Compact. This approach means that there is no requirement to undertake a one off Impact Assessment.
- 4.2.2 The Compact sets out 7 principles and supporting Standards which guide working practice, including a Principle focusing on Equality, Diversity, Cohesion, Equity and Fairness
- 4.2.3 The commitment to equality, diversity, cohesion and integration approaches and outcomes is integral to the development and ambitions of the new Codes of Practice e.g. The Working Together Code is designed to encourage equitable, fair and transparent working relationships. The Commissioning Code is designed to ensure fairness, consistency, transparency and proportionate and inclusive approaches to commissioning.

4.3 Council policies and best council plan

- 4.3.1 Effective partnership working underpins the Best Council Plan and the third sector is integral to success in the delivery of many of the ambitions and priorities set out in the Best Council Plan.

4.4 Resources and value for money

- 4.4.1 Endorsement of the Compact and supporting Codes does not incur any costs.
- 4.4.2 The Compact is a key part of the Leeds commitment to create the conditions for a thriving third sector that can deliver the city priorities, value for money and additional social, economic and environmental benefits.

4.5 Legal implications, access to information, and call-in

- 4.5.1 The Compact is a voluntary agreement.

4.6 Risk management

- 4.6.1 Failure to endorse and implement the Compact would undermine the policy and operating framework that underpins Leeds well established, and successful approach, to creating the conditions for the thriving third sector, that is necessary to deliver on council priorities and city ambitions. The Compact and the supporting Commissioning and Working Together Codes are important to facilitate effective partnership working and an enabling collaborative cross sector approach.
- 4.6.2 Delivery of key Council programmes are dependent on the third sector playing a more significant role in delivering services, supporting community self organising and responding to local and community challenges and priorities e.g. the Locality Working roll out, the Asset Based Community Development programme and key health and wellbeing, adults and health, children's, stronger communities and compassionate city ambitions.
- 4.6.3 Failure to endorse and support implementation of the Compact and the Commissioning Code could compromise confidence in and security of the Council's £135m annual investment in the sector. Accountable, transparent and equitable operating arrangements are important to minimise risks and the Compact is part of the framework which sets out minimum expectations and standards of good practice around commissioning.
- 4.6.4 The Compact provides an invaluable framework which enables commissioners to manage challenging commissioning and decommissioning decisions, with clear expectations around practice, timelines and communication. This reduces conflict and risks to reputation and working relationships that are key to delivering on the best city ambitions and the compassionate city agenda.
- 4.6.5 Risks arising from the different cultural and organisational commissioning practice in the Council and NHS will be mitigated by the new Commissioning Code of Practice. This has been co-produced with Council, NHS and Third Sector colleagues. NHS and LCC commissioners expect the new Commissioning Code to have application and relevance across commissioning in all sectors. In addition to driving good practice, it will strengthen consistency and collaboration and maximise the impact of available resources.

5. Recommendations

It is recommended that Executive Board:

- 5.1 Endorse the Compact for Leeds 2017 and the supporting Codes of Practice and adopt them formally for Leeds City Council.
- 5.2 Request the Executive Member for Communities, Leeds City Council Directors and the Operational People's Commissioning Board to support the continued and further development of a thriving third sector, enabling staff to implement and work within the spirit and practice of the Compact and the Codes and to contribute to the evaluation of their impact.

6. Background documents¹

None

7. Appendices

- 7.1 Appendix 1 Compact for Leeds 2017 Leaflet
- 7.2 Appendix 2 Leeds Commissioning Code of Practice
- 7.3 Appendix 3 Leeds Working Together Code of Practice
- 7.4 Appendix 4 LCC third sector responsibilities and partnership briefing
- 7.5 Appendix 5 Consultation / Co-production – Compact and Codes of Practice
- 7.6 Appendix 6 Leeds Third Sector Ambition Statement

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.