

**THE SCOTTISH COMPACT
GOOD PRACTICE GUIDES**

**Consultation
22 November 1999 to 15 February 2000**

This consultation document contains draft statements of good practice on the part of the Scottish Executive in:

Funding	pages 3 -7
Consultation	pages 8 -10
Partnership Working	pages 11 -12
Cross-departmental Working	pages 13-15
Proofing	pages 16-17
And a Protocol for GB/UK Departments	pages 18-20
Introduction to Guides	page 2
Annex on Compact Commitments	pages 21-23

Voluntary and community organisations are invited to send responses by 15 February 2000 to:

**Stephen Maxwell
Scottish Council for Voluntary Organisations
18 Claremont Crescent
EDINBURGH
EH7 4QD
e mail: stephen.maxwell@scvo.org.uk**

Earlier responses are welcome.

Please use paragraph numbers when commenting on specific items.

Queries about this consultation should be addressed to Harry Murray in the Voluntary Issues Unit on 0131 244 5464.

Scottish Executive Divisions may wish to consult agencies and Non-departmental Public Bodies which they sponsor on these guides. Copies of their comments should be sent to:

Marion Goldsmith
Voluntary Issues Unit
St Andrew' s House
EDINBURGH EH1 3DG
e mail: marion.goldsmith@scotland.gov.uk

Commitment to open government

As part of our commitment to open government, it is normal practice to make responses to consultation exercises available to the public on request. Responses received as a result of this consultation exercise will therefore be made available in that way unless respondents indicate that they wish their response, or any part of it, not to be made publicly available.

INTRODUCTION TO THE GOOD PRACTICE GUIDES

The Compact

1.1 The Scottish Compact was published in October 1998 and endorsed by the Scottish Parliament in November 1999. The Compact contains a statement of the values shared by the Scottish Executive and voluntary organisations, volunteers and community development groups and enshrines their mutual commitment to partnership working: each party has agreed to adhere to these commitments when working in partnership with the other. The benefits of doing so are listed in the Compact.

1.2 Across the UK there are 4 Compacts, one for each of the home countries. The Scottish Compact applies to the Scottish Executive and its agencies working with the Scottish voluntary sector. It was developed by a Working Group consisting of representatives from the then Scottish Office, the voluntary sector and government agencies (Scottish Homes). Departments with a GB/UK remit should take account of the commitments of the Scottish Compact as indicated in the GB/UK Protocol when working with the Scottish voluntary sector. (See section 6.)

1.3 The Scottish Compact is available on the Scottish Executive website. Hard copies may be obtained from the Voluntary Issues Unit (VIU) on 0131 244 3649 or can be purchased from the Stationery Office, price £4.55. A summary of the commitments contained in the Scottish Compact is attached as the annex to this consultation document.

Definitions

1.4 The phrase “voluntary sector” is used in this document to include all voluntary organisations and volunteering and community development initiatives pursued through voluntary organisations working in any area of activity.

Good Practice Guides

1.5 There are 6 Good Practice Guides which should be read in conjunction with the Scottish Compact. These have been produced by the Scottish Executive Voluntary Issues Unit (VIU) and are intended to help Divisions throughout the Scottish Executive that have an interest in voluntary organisations, community groups or volunteers to carry out their responsibility to implement the Compact commitments in their area of responsibility.

Agencies and non-department public bodies

1.6 Scottish Executive Divisions also have a responsibility to ensure that Government agencies and non-departmental public bodies which they sponsor develop plans to implement the Compact. Non-departmental public bodies and agencies may find these Good Practice Guides of use in developing their own good practice in relation to the sector, and Divisions may wish to forward the guides to them. The guides are essentially provisional and are subject to revision following the first round of monitoring of the operations of the Compact in May 2000.

GOOD PRACTICE GUIDE ON FUNDING VOLUNTARY AND COMMUNITY ORGANISATIONS

The role of voluntary organisations, volunteers and community development groups

2.1 Building strong communities of place and interest at both national and local level is a priority of the Scottish Executive. Voluntary organisations have a key role in that process. The Scottish Executive already relies to a significant extent on the voluntary sector including community organisations, to assist it in the development and implementation of its policy objectives. It is therefore important that the Scottish Executive develops a productive relationship with the sector that reflects the role and needs of both. Funding is a key element of the relationship.

The Compact

2.2 The Scottish Compact sets out the broad principles of the agreement between the Scottish Executive and the sector. They are as follows:

‘The Government will pursue its interest in promoting a healthy voluntary sector through public funding based on clear measures of performance. It will:

- *follow best practice in funding and in the administration of grants, including prompt payment of agreed funds;*
- *follow best practice in monitoring publicly-funded work and ensure best value;*
- *support umbrella bodies and the infrastructure of the sector;*
- *target resources, including non-financial resources, effectively in a way which takes account of changing needs; and*
- *respect the confidentiality of commercially sensitive information.’*

These principles represent a commitment given on the part of the Scottish Executive and its agencies to follow best practice in funding voluntary and community organisations, in developing their funding strategy, in the administration of their grant schemes and contracts, and in the monitoring of publicly-funded work.

The purpose of this Guidance

2.3 This guidance develops the commitment given in the Compact into a code of practice on funding for use within the Scottish Executive. This is based on certain principles which represent best practice in funding. Within the Scottish Executive, these are:

2.3.1 the fundamental requirement for the Executive to be accountable for public funds.

2.3.2 openness and transparency in funding policies and practices.

2.3.3 the provision of appropriate funding packages for voluntary organisations, both for service providers at a national level and also for intermediary/umbrella bodies and infrastructure bodies where their work ties into Scottish Executive policy.

2.3.4 systems which can monitor organisations' performance to assess how far the objectives for which the Scottish Executive provides funds are achieved and that good value for money is delivered.

2.3.5 as far as possible within operational requirements, a standard approach to funding practices and the adoption of good practice.

2.4 This Guidance applies to all types of direct funding – core and project grants whether revenue or capital, and to contracts – and to all voluntary organisations and volunteering initiatives which the Scottish Executive funds regardless of size, type or area of activity. It is subject to revision following this consultation and also following the development of a comprehensive strategy on funding which is being developed by the Voluntary Issues Unit.

Best practice in strategic funding of voluntary organisations

2.5 Scottish Executive funding is available:

2.5.1 for those areas of a voluntary organisation's activities which take forward key Scottish Executive policies.

2.5.2 to support capacity building within organisations on the basis of agreed outputs.

2.5.3 where an organisation has a continuing role in the delivery of particular policy objectives, to fund core management and administrative costs, and relevant training costs, normally on a rolling 3 year basis with renewal based on review of compatibility with Scottish Executive priorities.

2.5.4 for national generic infrastructure organisations and associated local networks to promote the growth and effectiveness of voluntary and community organisations by providing development, management and training support. Funding of local networks would normally be operated through agents.

2.5.5 for local service delivery organisations only on an exceptional basis; their public sector funding is for other agencies such as local authorities, health boards, local enterprise companies and some non-departmental public bodies etc.

2.5.6 on a time-limited basis, for innovative projects where the Scottish Executive has a particular interest in taking forward an experimental approach, including local projects which may have potential national application.

2.6 Departments should take the following into account:

2.6.1 funding will normally be through grants but may also be through contracts.

2.6.2 all types of funding are subject to satisfactory information being provided on the organisation, its constitution, management structures, financial situation and its experience and expertise in the particular area to be funded.

2.6.3 Scottish Executive funding often enables organisations to attract further funding from other sources.

2.6.4 an organisation or project may receive funding from another funder such as the National Lottery Charities Board, the European Structural Fund, Social Inclusion Partnership Fund etc.

2.6.5 consistency of procedures is desirable between Scottish Executive grant schemes; core data should be uniform for all schemes as far as possible.

2.6.6 the Voluntary Issues Unit will maintain a comprehensive and up-to-date database of Scottish Executive funding to the voluntary, volunteering and community sector which will provide an annual overview of funding against current policy priorities.

Best practice in the administration of grants

2.7 To follow best practice Departments should:

2.7.1 publish details of each grant scheme, with its policy objectives, information requirements, clear criteria for selection, timetable for applications and decisions.

2.7.2 use application forms which are concise, simple, accompanied by clear guidance notes.

2.7.3 issue application forms by e-mail or on disc as well as on hard copies, if requested and where practicable.

2.7.4 provide a named contact for each grant scheme.

2.7.5 keep desk instructions for Scottish Executive staff up-to-date.

2.7.6 where possible notify outcome of applications well in advance of the start of the financial year, preferably giving 3 months notice.

2.7.7 recognise that good financial management includes holding reserves and agreeing a policy on this with each grant recipient. Where this is a possibility it should cover up to 3 months turnover and Scottish Executive funds should not normally be counted as part of the reserves.

2.7.8 make grant offer in writing with a clear statement of the purpose of the offer and its conditions, duration, payment arrangements, the need for the recipient to comply with equal opportunities and to accept the grant offer in writing.

2.7.9 ensure prompt payments to an agreed timetable, noting that sometimes smaller organisations may need monthly payments or payments in advance

2.8 Points to note:

Departments should also:

2.8.1 allow for appropriate training costs in both core and project grants, including provision for training of volunteers at committee and service provision levels.

2.8.2 fund organisations which make good use of volunteers, resources for management and training.

2.8.3 take account of the organisation's or project's ability to secure other funding so as to diversify its funding base and to secure its exit route.

2.8.4 ensure that campaigning activity is related to charitable purposes.

Best practice in monitoring and evaluation

2.9 In monitoring and evaluating grants, Departments should:

2.9.1 provide guidance on business plans, the setting of objectives and performance indicators and establishing specific outputs for grant expenditure.

2.9.2 agree an action plan at the outset of all grant-funded work covering the period of grant and including key aims and objectives, as well as specific targets and performance indicators for measuring achievements against objectives.

2.9.3 set out these and any other requirements in the initial grant offer letter.

2.9.4 in the interests of proper accountability ensure that all grant recipients make appropriate arrangements to monitor and evaluate the quality of their grant-funded work and to report at agreed intervals, while taking care that these requirements do not become an undue burden to the organisation and tailoring these requirements to reflect the size of the grant and the resources of the organisation in receipt of funding.

2.9.5 ensure that grant-recipients have appropriate systems in place to obtain regular feedback from users or customers on their needs and their levels of satisfaction and views of the benefits/services they receive.

2.9.6 review performance during the second year of 3 year core funding to ascertain if grant should be renewed.

2.9.7 carry out an independent external review of major recurring grants of £100,000 or more at 6 year intervals and with the active involvement of the organisation concerned.

2.9.8 ensure that where a grant is under-utilised, that the sum is identified as early as possible so that it can be re-allocated in the current financial year.

2.9.9 require that grant recipients acknowledge in all publicity if Scottish Executive funding contributes to its costs.

2.9.10 monitor compliance with grant conditions in ways agreed with recipient.

2.10 Other points for Departments to consider are to:

2.10.1 withdraw grant where the recipient fails to adhere to grant conditions and/or to deliver the agreed objectives, unless satisfactory remedial action is taken within an agreed timescale.

2.10.2 respect the confidentiality of commercially sensitive and other information provided by the grant recipient.

Best practice in funding voluntary sector infrastructure

2.11 Departments should:

2.11.1 core fund intermediary/umbrella/resource bodies and generic infrastructure bodies and their national networks which form part of voluntary sector infrastructure.

2.11.2 ensure that these infrastructure bodies put systems in place to establish the needs of their users and respond appropriately to them.

2.11.3 work to ensure that bodies funded for their representative role are in touch with their constituencies and have appropriate authority to represent their views.

GOOD PRACTICE GUIDE ON CONSULTATION WITH VOLUNTARY AND COMMUNITY ORGANISATIONS

The Compact

3.1 The Scottish Compact recognises that the relationship between the Scottish Executive and the voluntary sector extends far beyond funding issues and that there are important benefits to be gained by working in partnership. The Compact contains a commitment that *‘in encouraging good practice and co-operative methods of decision-making, the Government will consult as appropriate in a flexible and open way, communicating clearly and using appropriate media’*.

The purpose of this Guidance

3.2 This Good Practice Guide spells out the practical details behind the commitment to consult voluntary organisations, volunteering interests and community groups when developing policies and proposals. The commitment includes consulting small organisations as well as larger ones, though normally the Scottish Executive will wish to consult through intermediary and umbrella bodies wherever possible. The Scottish Executive does, however, recognise that it is not always possible to consult only through intermediary and umbrella bodies, since there will be occasions when these bodies do not represent the full range of views in their client group area. This guidance is consistent with the procedures set out in the Cabinet Office document *How to Conduct Written Consultation Exercises* (1998).

3.3 The overall purpose of consultation with the sector is to ensure that the process of policy making is inclusive of all relevant views and draws on the sector’s knowledge, experience and expertise. Policies that are developed as a result of views expressed through consultation are more likely to succeed at the implementation stage.

3.4 It is basic to good consultation that the whole exercise is carefully planned and managed and that consultation documents are carefully designed. Good practice is the key to effective consultation.

Best practice in consulting the voluntary sector

3.5 The Scottish Executive will fulfil its commitment to consult the sector through a range of good practice which includes:

3.5.1 planning consultation exercises carefully.

3.5.2 taking soundings as early as possible in the process.

3.5.3 consulting with interests relevant to the issue in question, either directly or through intermediary bodies where appropriate.

3.5.4 consulting with sufficient time for the consultation period to be meaningful, recognising that less than 3 months is difficult for most voluntary organisations and making allowances for holiday periods and other potential timing difficulties. Where less time is allowed, the reason should be specified.

3.5.5 consulting widely to bring in the fullest spread of views from those most likely to be affected and from those with most to contribute.

3.5.6 consulting in a variety of ways including written consultations, opinion surveys, focus groups, and user panels, citizen's juries, citizen's panels, the internet etc.

3.5.7 giving due consideration to all responses.

3.5.8 paying particular attention to those most affected by the proposals.

3.6 Consultation documents should:

3.6.1 be concise, clearly laid out, use plain English and avoid jargon.

3.6.2 contain a summary (ideally no more than one page).

3.6.3 give a description of the issue being addressed, state the purpose of consultation, and the issues on which views are sought.

3.6.4 give factual statements of information and known opinions.

3.6.5 give an explanation of decisions that have already been taken and of why a particular option is favoured.

3.6.6 explain who is likely to be affected and how to assess the impact on particular groups e.g. ethnic minorities.

3.6.7 outline the timetable for rest of the decision-making and implementation processes.

3.6.8 state a deadline for responses.

3.6.9 give a name, address, phone number and e-mail address of a contact person.

3.6.10 include a statement that responses will normally be made publicly available unless respondents ask that they be kept confidential.

3.6.11 be publicised through a targeted press release and whenever possible through the Internet.

3.6.12 make available on request documents in braille, in large print, on audio tapes and Gaelic and ethnic community languages if appropriate supplementing this by meetings to receive views. For advice on producing documents in braille, Gaelic and ethnic community languages or on tape contact the Information Directorate.

3.7 Consultees would normally receive:

3.7.1 an acknowledgement of their response.

3.7.2 prompt feedback on the outcome of the consultation exercise, for example through a press release or a Ministerial statement which explains how the decision reflects the results of the consultation, where possible copying this to all respondents.

3.7.3 access to a summary of responses.

3.7.4 an explanation of why a particular view has been rejected if an enquiry is made.

GOOD PRACTICE GUIDE ON PARTNERSHIP WORKING BETWEEN THE SCOTTISH EXECUTIVE AND ITS AGENCIES AND VOLUNTARY AND COMMUNITY ORGANISATIONS IN SCOTLAND

The Compact

4.1 The Scottish Executive commitment to joined-up action has led to a considerable growth in partnership working. Many partnerships involve the voluntary sector, for instance the New Deal, the Social Inclusion Partnerships, the Child Care Strategy, Community Care, the Giving Age etc. The Scottish Compact contains important commitments to partnership working as follows: (See Annex to this document.)

'In encouraging good practice and co-operative methods of decision-making, the Scottish Executive will:

- *meet with the sector to develop policy and practice and promote effective dialogue and the efficient use of time;*
- *work with the sector on issues of concern to either party in the spirit of openness and partnership;*
- *consult as appropriate in a flexible and open way, communicating clearly and using appropriate media;*
- *recognise the role which umbrella bodies have in representing the views of their constituents without prejudice to the right of individual organisations to represent their own views;*
- *ensure that in the process of policy-making, the impact of changes in policy and procedure on the sector and on volunteering and community groups are considered and taken fully into account (a process known as 'proofing');* and
- *assume that information is not confidential unless otherwise stated.'*

Partnership working

4.2 Partnership working has the benefit of maximising the opportunities for voluntary sector members to contribute their experience and ideas to the development and implementation of public policy, thereby making public policy more sensitive to the needs of communities. It does not, however, necessarily mean that the partners are always in agreement on the particular issues or that they will always work in partnership. It is important to bear in mind that there is a marked concern in the sector that the independence of voluntary sector partners can be seriously compromised by partnership working and to allow them to withdraw if this is the case without losing face or compromising their integrity.

4.3 Scottish Executive Divisions already working with the sector agree that the following considerations constitute good practice when working jointly with voluntary organisations, community groups and volunteering interests.

Best practice in partnership working with the voluntary sector

4.4 The Scottish Executive, when working in partnership with voluntary organisations, volunteers and community groups, will:

4.4.1 involve them at an early stage.

4.4.2 agree suitable methods for ongoing dialogue to facilitate the contribution to policy development and implementation.

4.4.3 agree clear goals and work toward common objectives.

4.4.4 ensure that voluntary, volunteering and community sector personnel are representative and can speak on behalf of their stakeholders and users or ascertain the limitations of their representational role.

4.4.5 provide a clear timetable for meetings, executive action and feedback on action.

4.4.6 circulate papers well in advance of meetings.

4.4.7 take note of the Good Practice Guidance on Consultation associated with this guidance, particularly the timescale.

4.4.8 clarify whether expenses will be paid to small organisations.

4.4.9 respect confidentiality, making sure that organisations know when information is being shared on a confidential basis or that ideas are being shared at a pre-commitment stage.

4.4.10 proof changes to policy and practices for their impact on the voluntary sector and on volunteering. (See associated Good Practice Guidance on Proofing)

4.4.11 identify what happens if agreement cannot be reached and a partner wishes to withdraw.

GOOD PRACTICE GUIDE ON ‘PROOFING’ POLICIES AND PROCEDURES FOR THEIR IMPACT ON VOLUNTARY AND COMMUNITY ORGANISATIONS AND VOLUNTEERING

The Compact

5.1 The Compact contains a commitment on the part of the Scottish Executive and its agencies *to ensure that, in the process of policy-making, the impact of changes in policy and procedure on voluntary organisations, volunteering and community groups is considered and taken fully into account.*

Proofing for the voluntary sector and for volunteering

5.2 Given that it is a policy of the Scottish Executive to encourage the contribution of voluntary organisations, community groups and volunteering, it is important to ensure that Scottish Executive policies do not place an unreasonable burden on these sectors or overlook their potential contribution, unless there are overriding policy reasons. Where overriding policy priorities make this impossible, these must be clearly stated when policies are announced.

5.3 The reasons for voluntary sector and volunteering proofing are that:

5.3.1 the voluntary sector is an important force in society - in Scotland, it comprises 40,000 voluntary organisations, with an income of £2 billion per year which is 4% of GDP.

5.3.2 50% of the adult population undertakes some form of volunteering in the course of a year, contributing an estimated £4 billion to Scotland's social economy. The majority of volunteers are in voluntary organisations but a substantial proportion are in the statutory sector as well as in the private sector.

5.3.3 it operates across almost every area of activity ranging from health to employment and training to the environment.

5.3.4 its role in the delivery of services has increased considerably in recent years.

5.3.5 voluntary and community groups and volunteers already make a considerable and essential contribution to the development of policy and the achievement of Scottish Executive objectives.

5.3.6 current Scottish Executive policy is to increase levels and range of volunteering and community involvement, through the Giving Age/Active Community initiative and the Millennium Volunteers programme.

5.3.7 voluntary groups are closely in touch with their interest groups and developing situations and can often identify and respond to changing needs more quickly than the statutory sector.

Best practice in proofing for voluntary sector interests

5.4 To assess the implications which changes in policy or procedures might have on the voluntary organisations, community groups and volunteering interests it is helpful to ask the following questions:

5.4.1 Does any change in Departmental policy have particular impact on the voluntary or community sectors?

5.4.2 Will the proposed new requirements make life difficult for volunteers, especially those volunteering on a full-time basis, or make it hard for people to give up part of their time to voluntary work?

5.4.3 Will requirements adversely affect activity which is essential to voluntary organisations and will such organisations find it difficult to comply with them?

5.4.4 Is there scope for exemptions or special provision for voluntary organisations or people working as unpaid volunteers?

5.4.5 Have the views of the voluntary, community and volunteering sectors been sought?

5.4.6 Where there is a programme involving the provision of services by outside agencies, including voluntary organisations, are the new requirements more difficult for voluntary organisations than for statutory or private sector organisations to comply with?

5.4.7 Are the proposals constructed and presented in such a way as to get the most useful and effective contribution from the voluntary sector interests?

5.4.8 Is there an opportunity to promote the use of volunteers in the provision of the service? Remember that volunteers work in the statutory as well as the voluntary sectors.

Contracting

5.5 Divisions with responsibility for framing or drafting contracts for which voluntary organisations might wish to bid, should ask the same questions above, thinking particularly about paragraphs 5.4.7 and 5.4.8 above.

Europe

5.6 It is not only UK domestic legislation which may have implications for the voluntary sector. The sector may also be affected by changes in policy and procedures arising from EC directives or proposals for legislation. Divisions should therefore ask the questions set out above, whether those proposals originate in Whitehall or from Brussels.

5.7 Following proofing for voluntary sector interests, Divisions should be able to demonstrate that they have:

5.7.1 taken the views of the appropriate range of voluntary sector bodies, in an appropriate manner, and to an appropriate timescale.

5.7.2 taken account of these views alongside other views.

5.7.3 explored the full range of options for action.

5.7.4 consulted Ministers where appropriate.

5.7.5 informed the sector of the outcome of the consultation, particularly where there have been decisions which the sector will see as negative.

5.7.6 explained that there is a range of competing interests and that a negative decision in relation to the voluntary sector does not mean that the new policy or procedure has not been thoroughly proofed for voluntary sector interests.

GOOD PRACTICE GUIDE ON CROSS-DEPARTMENTAL WORKING WITHIN THE SCOTTISH EXECUTIVE IN RELATION TO VOLUNTARY ISSUES

The Compact

6.1 The Compact contains a range of commitments to joint working on the part of Government, its agencies and non-departmental public bodies on the one hand and voluntary organisations, community groups and volunteering interests on the other. One of the Scottish Executive commitments in the Compact is ‘*to put in place mechanisms to facilitate cross-departmental working*’.

Joined-up Government

6.2 The Scottish Executive is committed to “joined-up” Government. The need for this is particularly evident in relation to partnership working with the voluntary sector, because of the nature of the subject matter in a range of policy areas, and because issues tend to cut across the traditional boundaries of Departments. All Departments of the Scottish Executive will have some involvement with key cross-cutting issues like racial equality, social inclusion, and voluntary sector issues. There are also subjects like community care and the childcare strategy which involve several Departments. Various structures are in place in the Scottish Executive to facilitate cross-cutting working. These include:

The Voluntary Issues Unit

6.3. The Voluntary Issues Unit has both a generic and a corporate role. Its remit is to work across all Scottish Executive Departments on generic voluntary sector and volunteering issues. Its recent relocation to a central position in the Scottish Executive is a recognition of its cross-cutting role and of the importance of re-focusing Scottish Executive relationships with the voluntary, volunteering and community sector more strategically.

Voluntary Issues Management Board

6.4 The Voluntary Issues Management Board is a new body to be set up in the Scottish Executive to act as a main focus for developing strategic policy on the voluntary sector and volunteering, to provide a cross-cutting perspective and to oversee the implementation of the Scottish Compact in the Scottish Executive. The Board will comprise senior staff from policy areas across the Scottish Executive in which the voluntary sector play a major role.

Co-ordination of funding issues

6.5 There is a range of grant schemes across the Scottish Executive which fund the voluntary sector. In 1998-1999 £23 million was made available to the sector through 14 direct grant schemes. The Scottish Executive also funds the sector indirectly through agencies such as local authorities, Scottish Homes, Scottish Natural Heritage, health boards etc. A total of £260 million was made available though indirect funding in 1998-1999.

Co-ordination of policy

- 6.6 There are various mechanisms for the co-ordination of policy, including:
- 6.6.1 use of cross-cutting groups with representation drawn from all relevant departments e.g. Social Inclusion Network, the Rural Agenda Steering Group, the Ministerial Committee on Drugs, the network of Drugs Action Officers.
 - 6.6.2 inter-departmental liaison persons identified.
 - 6.6.3 policy contacts (See Annex to *Guide to Scottish Executive Grants for the Voluntary Sector*).
 - 6.6.4 The associated Compact Good Practice Guidance on Proofing provides guidance on proofing policy development for voluntary sector and volunteering interests and the Voluntary Issues Unit (VIU) provides advice if requested.
 - 6.6.5 Scottish Executive/Voluntary Sector Forum meets 6 monthly. This Forum draws together officials from across the Scottish Executive to respond to issues of current concern to the sector. Members of the VIU Management Board will attend as a norm. The voluntary sector delegation is led by the Scottish Council for Voluntary Organisations (SCVO) and there is standing representation from Volunteer Development Scotland (VDS). One meeting a year is chaired by the Minister with direct responsibility for the voluntary sector.

Co-ordination of information

- 6.7 VIU co-ordinates information by:
- 6.7.1 co-ordinating information for Ministers for responses to MSPs or correspondents on the voluntary sector.
 - 6.7.2 maintaining a database of direct grants made to voluntary organisations. This is updated annually with assistance from Divisions across the Scottish Executive.
 - 6.7.3 publishing annually a *Guide to Scottish Executive Grants for the Voluntary Sector*. This gives details about direct and indirect funding.
 - 6.7.4 having an overview of both direct and indirect funding and providing Ministers with an summary of how this range of funding meets their priorities.

Bilateral relations

6.8 Although there are many cross-cutting issues involving the voluntary sector and it is important for the Scottish Executive to have mechanisms to facilitate this work, it remains crucial to ensure that the bilateral relations between the various lead Divisions and the sector are also vigorously sustained. This enables the relationship with the voluntary sector to be mainstreamed throughout the Scottish Executive. The strength of the voluntary sector contribution in Government priority areas will be heavily dependent on this mainstreaming. The Voluntary Issues Unit can provide advice to colleagues on the implementation of the Compact or other aspects of relationships with the voluntary sector, community development groups or volunteering interests.

PROTOCOL FOR DEPARTMENTS, AGENCIES AND NON-DEPARTMENTAL PUBLIC BODIES OPERATING WITH VOLUNTARY AND COMMUNITY ORGANISATIONS IN MORE THAN ONE TERRITORIAL COUNTRY

Purpose

7.1 The Compact is an agreement between central Government and the voluntary sector on best practice principles for working together. It signals central Government's commitment to building a stronger working relationship with the voluntary sector. This can only be achieved if the guidance set out in the Compact is implemented in a way that aims to be both effective and comprehensive in coverage. This protocol offers additional guidance for those Departments, non-departmental public bodies (NDPBs) and agencies that work across territorial boundaries at the GB or UK level. It aims to help them in their task of implementing the Compact.

Background

7.2 There are four Compacts (one in each country in the Union, i.e. England, Northern Ireland, Scotland and Wales). When they were published in the autumn of 1998 these were endorsed by the Home Secretary, the then Secretaries of State for Northern Ireland, Scotland, and Wales. The Prime Minister signalled his support for the Compacts by including a personal message in each publication. The content of the four Compacts is consistent although individual Compacts were drawn up in agreement with the voluntary sectors in the respective countries and as such reflect national structures and relationships. All of the Compacts contain a commitment to monitor implementation and to report back on progress to Ministers.

Scope

7.3 Those Government departments, NDPBs and agencies that operate within home country boundaries, are expected to observe their own national Compact. It is more complex for those Government Departments, NDPBs and agencies that operate beyond home country boundaries. They are expected to observe the Compacts in a way that takes account of the geographical dimension of the relationship with the voluntary sector in the spheres in which they operate.

7.4 The purpose of this Protocol is to assist in completing the coverage of the Compact. The principles of the Compact already extend to GB and UK public bodies and this additional guidance provides further advice on some of the issues that may arise in day-to-day contact with the voluntary sector. Thus, Departments, agencies and NDPBs, with cross-border responsibilities, will want to take special care to apply the principles of the individual Compacts in a way which acknowledges the cross-boundary issues raised in their work with the voluntary sector.

Application of principles

7.5 It is not the purpose of this Protocol to repeat the principles contained in the four Compacts. Rather, it highlights the issues where complexities may arise because of the GB/UK dimension. Thus, Departments, agencies and NDPBs whose remit extends across the GB/UK should consider how they plan to respond to the following commitments:

7.5.1 **recognition** : recognition of the voluntary sector involves making contact with voluntary organisations across GB/UK. It cannot be assumed that the sectors in all four countries are homogeneous. Where issues arise which involve voluntary interests, recognition should be given to the sectors in England, Northern Ireland, Scotland and Wales. The differences which exist in the scale, structure and traditions of the sector in each country should be acknowledged.

7.5.2 **representation**: representation should provide equal access for the voluntary sectors in each of the four home countries and should guard against the convenience of choosing organisations from one country only to act as representatives of the rest of GB/UK. Thus GB/UK policy and advisory groups which involve the voluntary sector should aim to achieve GB/UK representation on a proportional basis. The 4 Units which have lead responsibility for the voluntary sector issues within each territorial country will be able to advise on the best approaches.

7.5.3 **appointments**: there are likely to be formal arrangements already in place for appointments to bodies with GB/UK remits which fall within the Nolan rules to ensure proper representation from across the UK. These will probably be included in Working Level Agreements between Departments. Where more informal arrangements operate, the same principles should apply.

7.5.4 **consultation**: consultation is an extension of the principle of representation. When the voluntary sector is to be consulted on proposals with a GB/UK remit, the process should be designed to be inclusive of the sectors in all four countries.

7.5.5 **proofing**: when the impact of changes in GB/UK policy and procedures on the sector are being considered, the special circumstances which exist in each country should form part of the process. The Working Level Agreements, which have been drawn up to ensure sufficient communication and co-ordination between administrations, provide a basis for the development of future relationships within government. These provide a helpful framework but they should not substitute for direct connections with voluntary groups on policies which affect them.

7.5.6 **funding**: where voluntary organisations operate across the GB/UK, Departments should take special care to co-ordinate their practices so that they send consistent guidance.

DEPARTMENTS, AGENCIES AND NDPBS OPERATING ACROSS TERRITORIAL BOUNDARIES

7.6 Some of the Departments/agencies/NDPBs and policies covered by this Protocol are:

Benefits Agency	(social security benefits)
Cabinet Office	(better regulation, women's issues)
Department of Culture, Media and Sport	(lottery/ European affairs)
Department of Trade and Industry	(water charges, consumer affairs)
Department of Social Security	(welfare issues)
Department of Education and Employment	(employment and disability issues)
Employment Service	(New Deal)
Home Office	(racial equality, asylum, refugees, certain UK wide volunteering initiatives)
Inland Revenue	(regulation of charities in Scotland)
Lottery distributing bodies	NLCB, NOF in particular
Ministry of Defence	
Overseas Development Agency	(international aid agencies)
Treasury	(economy and taxation)

This list does not set out to be comprehensive.

CONTACTS:

England

Head of Active Community Unit
Home Office
Horseferry House
Dean Ryle Street
LONDON SW1P 2AW

Northern Ireland

Head of Voluntary Activity Unit
Room C.R.4
Castle Building
Stormont
BELFAST BT4 3PP

Wales

Head of Voluntary Sector Branch
Welsh Office
Cathays Park
CARDIFF CF10 3NQ

Scotland

Head of Voluntary Issues Unit
Saint Andrews House
Waterloo Place
EDINBURGH EH1 3BA

THE SCOTTISH COMPACT:GOVERNMENT COMMITMENTS	VOLUNTARY SECTOR COMMITMENTS	ANNEX
<p>Recognition</p> <p>In working with voluntary organisations, volunteers and community development groups, the Scottish Executive will:</p> <ul style="list-style-type: none"> • acknowledge the value of the contribution which the voluntary sector makes to the social, economic, environmental and cultural life of Scotland; • recognise and support the sector’s independence, including its right to comment on and challenge Executive policy; • recognise volunteering as an important part of citizenship and support volunteering initiatives as a means of extending people’s participation in their community; • recognise the importance of community development as a form of active citizenship; • take positive steps to involve in the partnership, groups which face difficulties in making their voices heard; and • promote an understanding of the value of the voluntary sector activity to all public sector bodies, including NDPBs. 	<p>Recognition</p> <p>In working with the Scottish Executive, the sector undertakes to:</p> <ul style="list-style-type: none"> • acknowledge that the Executive works within a statutory framework laid down by Parliament, and in the future by the Scottish Parliament, to whom it is accountable for its policy towards the voluntary sector; • acknowledge the Executive’s public accountability for the resources it provides to voluntary organisations; • meet with the Executive to discuss issues of mutual interest; and • recognise that the Scottish Executive, like all other agencies, acts within constraints. 	
<p>Representation</p> <p>The Scottish Executive acknowledges its obligation to facilitate access for the voluntary sector to the processes of the Executive. It will:</p> <ul style="list-style-type: none"> • state Executive objectives and priorities clearly; • provide information about channels of communication which is clear and accessible; and • ensure that nominations are sought from voluntary sector interests as appropriate for public boards, agencies and collaborative working groups and service user groups. 	<p>Representation</p> <p>No single body or group of bodies can represent the complete range of interests which the voluntary sector pursues with the Executive. However, where there are recognised representative lead bodies, these bodies commit themselves to:</p> <ul style="list-style-type: none"> • represent the views of their sectoral constituencies and demonstrate how they consult their members and supporters and are accountable to them; • consult fully and to timetables agreed with the Executive; • promote collaborative working between voluntary sector partners; • promote the development of the infrastructure to allow interests and groups to develop and communicate their views to the Scottish Executive and other interests. 	

GOVERNMENT COMMITMENTS	VOLUNTARY SECTOR COMMITMENTS
<p>Partnership In encouraging good practice and co-operative methods of decision-making, the Scottish Executive will:</p> <ul style="list-style-type: none"> • meet with the sector to develop policy and practice and promote effective dialogue and the efficient use of time; • work with the sector on issues of concern to either party in the spirit of openness and partnership; • consult as appropriate in a flexible and open way communicating clearly and using appropriate media; • recognise the role which umbrella bodies have in representing the views of their constituents without prejudice to the right of individual organisations to represent their own views; • ensure that in the process of policy-making, the impact of changes in policy and procedure on the sector and on volunteering and community groups are considered and taken fully into account (a process known as ‘proofing’); and • assume that information is not confidential unless otherwise stated. 	<p>Partnership In working with the Scottish Executive and its agencies and with other sectors, the voluntary sector undertakes to:</p> <ul style="list-style-type: none"> • promote the value of collaborative working with the public sector, as the interest of its members and the wider public requires; • ensure that the full range of voluntary organisations and interests is, as far as possible, informed of, and represented in, collaborative working; • ensure that its representatives at partnership meetings are properly briefed and supported; and • respect any agreed commitments to the confidentiality of Scottish Executive information.
<p>Resources The Scottish Executive will pursue its interest in promoting a healthy voluntary sector through public funding based on clear measures of performance. It will:</p> <ul style="list-style-type: none"> • follow best practice in funding and in the administration of grants, including prompt payment of agreed funds; • follow best practice in monitoring publicly funded work and ensure best value; • support umbrella bodies and the infrastructure of the sector; • target resources, including non-financial resources, effectively in a way which takes account of changing needs; and • respect the confidentiality of commercially sensitive information. 	<p>Resources In using public resources, the sector undertakes to:</p> <ul style="list-style-type: none"> • champion the importance of good management and promote good management practice, including fulfilling conditions of funding; • strive to secure best value for its declared objectives from the resources it uses; and • maintain agreed monitoring, performance evaluation and report-back systems to secure effectiveness in the use of resources.

GOVERNMENT COMMITMENTS	VOLUNTARY SECTOR COMMITMENTS
<p>Implementation</p> <p>In endorsing this Compact, the Scottish Executive, with the backing of Ministers and through the leadership of the Voluntary Issues Unit and the Divisions having lead roles with the voluntary sector, undertakes to:</p> <ul style="list-style-type: none"> • work to ensure that arrangements which are flexible and realistic are put in place to implement the Compact; • establish a framework to monitor and evaluate its operations jointly with the sector; • put in place mechanisms to facilitate cross-departmental working; • ensure that there is a dedicated Unit within the Scottish Executive to promote voluntary sector interests; • promote the Compact throughout the Executive, and its agencies and NDPBs in Scotland; • designate a Minister and a senior person in relevant NDPBs and agencies to have responsibility for relations with the sector and for implementing and reviewing the operations of the Compact; • promote the spirit and principles of the Compact to local authorities and COSLA; • report at least annually on the operations of the Compact to the Scottish Executive/Voluntary Sector Forum; and • contribute to an annual review by the Taskforce of Ministers. 	<p>Implementation</p> <p>By endorsing this Compact, the lead representative bodies of voluntary organisations, volunteering activities and community development groups undertake to:</p> <ul style="list-style-type: none"> • publicise to the sector the principle and understandings embodied in the Compact; • promote and champion practices which are consistent with the Compact to voluntary organisations, volunteering activities and to community development groups; • act to put in place systems for monitoring the operations of the Compact; • participate in the monitoring of the operations of the Compact by the voluntary sector and by the Scottish Executive and public bodies; and to • report at least annually on the operations of the Compact to the Scottish Executive/Voluntary Sector Forum.