



National Audit Office

Report

by the National Audit Office

Cabinet Office

Central government's implementation of the national Compact: a follow-up

6 JANUARY 2015

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Contents

Summary 4

Part One

Overview of the Compact 9

Part Two

Progress on our 2012
recommendations 14

Part Three

Monitoring and reporting 18

Appendix One

Our audit approach 24

Appendix Two

Our evidence base 26

Appendix Three

Suggested tools and their effects 29

The National Audit Office study team consisted of:
Terry Caulfield and Emma Taylor under the direction of Victoria Keilthy.

This report can be found on the National Audit Office website at www.nao.org.uk

For further information about the National Audit Office please contact:

National Audit Office
Press Office
157–197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Tel: 020 7798 7400

Enquiries: www.nao.org.uk/contact-us

Website: www.nao.org.uk

Twitter: @NAOorguk

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Summary

1 The national Compact (the Compact) is a voluntary agreement setting out shared principles for effective partnership working between UK government and civil society organisations in England. All central government departments (and their associated non-departmental public bodies, arm's length bodies and executive agencies) are signed up to implementing the Compact.

2 The Cabinet Office introduced the Compact in 1998. In December 2010 the Compact was renewed and relaunched to: make it easier to use and understand; improve accountability; and align it to the government's Big Society agenda. The Office for Civil Society, part of the Cabinet Office, is responsible for the Compact within government.

3 The civil society sector plays an important role in public services. In 2011-12, civil society organisations received income of some £5.9 billion from central government in return for providing a wide range of services such as adult social care and probation services. In March 2014, the government repeated its Coalition Agreement commitment to "support the creation and expansion of mutuals, co-operatives, charities and social enterprises, and enable these groups to have much greater involvement in the running of public services".

Our previous report on the Compact

4 In January 2012, we published a report *Central government's implementation of the national Compact*.¹ We concluded that departments needed to improve their implementation of the Compact, and made a number of recommendations for all departments to consider to support improvement. We also concluded there was more the Cabinet Office should do in its oversight of the Compact.

5 On 31 January 2012, at a hearing of the All Party Parliamentary Group on Civil Society and Volunteering to discuss our report, we agreed to follow up departments' progress in implementing our 2012 recommendations.

¹ *The Compact* is available at: www.gov.uk/government/uploads/system/uploads/attachment_data/file/61169/The_20Compact.pdf

This report

6 To assess progress, we asked each of the 14 departments that manage most of central government's funding to UK civil society organisations to:

- set out its actions from January 2012 to July 2014 in response to our recommendations, and the actions it had planned for the rest of 2014;
- identify barriers to the implementation of those recommendations;
- detail the number of complaints alleging non-compliance with the Compact received between 2012 and 2014; and
- detail the length of each consultation it had carried out during 2012 and 2013.

7 Appendix One sets out our audit approach and Appendix Two describes our evidence.

8 A critique of the Compact is outside the scope of this report. Alongside the national Compact, most local authorities in England also have a local Compact, which covers the authority's relationship with civil society organisations and interprets the principles of the national Compact in the local context. Local Compacts are also outside the scope of this report.

Key findings

9 The Compact remains a key document for guiding the relationship between central government and the diverse range of organisations that make up civil society. Civil society organisations remain an important sector in terms of delivering public services – none of the departments in our review reported a decline in their interaction with the sector (paragraphs 1.9 and 1.11).

Departments' progress

10 The prominence and quality of the Compact statement in departments' Business Plans has improved. Nine of the 14 departments included information in their 2013 Business Plans that went beyond the minimum set out in central guidance, compared with just 5 in 2012 (paragraphs 3.17 to 3.19).

11 Looking across departments, progress in implementing our recommendations has been slow. We consider that progress against each recommendation in our 2012 report has been, at best, adequate. In particular, departments could:

- improve how they monitor and report their implementation of the Compact;
- review complaints procedures so issues relevant to the Compact are directed to the correct team; and
- consider undertaking periodic reviews of their implementation of the Compact (paragraphs 2.3 to 2.5 and Figure 5).

12 Departments' lack of progress in implementing the recommendations in our 2012 report is surprising because they did not report widespread barriers to their implementation. There was a lack of consensus about factors barring implementation. The most commonly reported barrier was resource constraints (paragraphs 2.6 and 2.7).

13 Most departments have made little progress in strengthening their arrangements for monitoring Compact complaints. In 2012, we reported that complaints were the main way departments identified concerns about their implementation of the Compact. We found that most departments (10 out of 14) do not have arrangements to monitor Compact complaints. One department has given its complaints and communications teams additional training about the Compact to help them identify and handle issues correctly. The remaining 3 departments reported some form of complaints monitoring system; however, it was not clear how Compact complaints would be correctly identified and routed to the appropriate team to resolve (paragraphs 3.2 to 3.7).

14 The percentage of consultations running for less than 12 weeks has increased since our last report. In July 2012, the Cabinet Office published new *Consultation Principles*;² and in January 2013, a House of Lords' committee reported on the government's approach to consultations. The Principles, updated in November 2013 in response to the recommendations in the House of Lords' report, make clear that departments should, where it is appropriate and allows meaningful engagement, allow 12 weeks for responses to consultations. However, the Principles recognise that sometimes, for example where interested groups have already been actively engaged in the policy-making process, a shorter consultation period may be appropriate. The Principles therefore gave departments greater flexibility over the length of consultation rather than using the default 12-week period. In 2011, we found 40% of consultations across 9 departments were run for less than 12 weeks. In the 5 months after the new guidance was published, 76% of consultations lasted less than 12 weeks, and by mid-May 2013 this had risen to 81% (paragraphs 1.14, 3.11 to 3.13 and Figure 7).

2 Cabinet Office *Consultation Principles*, July 2012. Available at: www.gov.uk/government/uploads/system/uploads/attachment_data/file/255180/Consultation-Principles-Oct-2013.pdf

15 Most departments did not have arrangements for monitoring and reporting the length of consultations. Consultation length is one of the few measurable features of the Compact. Only 1 department had a system to monitor the length of consultations and was able to provide, for all of its consultations under 12 weeks, explanations as to why this was the case. Four departments gave incomplete information, and 7 gave none at all. Where departments provided explanations, the main reasons for shorter consultations were some form of previous contact or consultation with relevant stakeholder groups, lack of time, or that a shorter consultation was proportionate to the issue (paragraphs 3.11, and 3.14 to 3.16).

Cabinet Office's progress

16 The Cabinet Office has shown a continuing commitment to the Compact. In March 2012, the Minister for Civil Society wrote to all government departments to promote the importance of the Compact. In August 2013, the Cabinet Office and the charity Compact Voice announced a joint action plan aimed at strengthening use of the Compact across central government. They updated the action plan in August 2014 (paragraphs 1.7, 1.12 and 1.13, and Figure 3).

17 The Cabinet Office has made good progress in implementing our 2012 recommendations. In February 2012, it set out in detail its responsibilities concerning the Compact, although it has not published this information on its website. In March 2013, to help identify and share good practice, the Cabinet Office set up a cross department Compact group which has met 5 times. The Cabinet Office also now funds the charity Compact Voice to review and report on departmental Business Plan Compact statements (paragraphs 2.8 to 2.10 and Figure 6).

18 There is no central oversight of Compact non-compliance. In April 2013, the Compact Advocacy Programme (the Programme – see Figure 2) ceased operations when its 3 year grant from the Big Lottery Fund ended. Until then, the Programme was the sole repository of reports from the sector of potential non-compliance with the Compact. Since its closure, the Programme's responsibilities have not been formally transferred elsewhere. In August 2013, Compact Voice agreed to provide the Cabinet Office informally with information about the complaints Compact Voice received from its networks and members about the Compact, and this is now the main source for identifying non-compliance with the Compact (paragraphs 3.8 to 3.10).

Conclusion

19 Civil society organisations play an important role in delivering public services and the Compact remains central to ensuring a positive relationship between these organisations and central government. Departments have made slow progress in implementing the recommendations in our January 2012 report on the Compact despite the absence of widespread barriers to their implementation. Departments therefore have more to do to strengthen their oversight of the implementation of the Compact.

20 Since our 2012 report, the Office for Civil Society has shown a continuing commitment to the Compact and has made good progress in implementing our recommendations. However, since the closure of the Compact Advocacy Programme in 2013, it is unclear how it will monitor on a rigorous basis the level and nature of Compact complaints to help it gauge the level of compliance across government.

Recommendations

For departments

21 We recommend that departments should:

- a** periodically review how they monitor their implementation of the Compact, for example through self assessment or a review by internal audit; and
- b** complete an exercise to separately identify Compact related complaints to identify any weaknesses in their approach.

22 In considering the recommendations above, each department will need to decide the actions needed after assessing its current performance, what improvements it might like to see, and available resources.

For the Cabinet Office

23 In the light of developments since January 2012, we recommend the Cabinet Office should:

- c** support departments by building an understanding of the number and nature of Compact complaints and sharing best practice in complaints handling; and
- d** consider the implications of the House of Lords' conclusions on central government's approach to consultations for the implementation of the Compact and, if relevant, circulate advice to government departments and to the sector.

Part One

Overview of the Compact

1.1 This Part of the report describes the national Compact, the key stakeholders with an interest in the Compact, central government departments' interactions with civil society organisations, and recent Cabinet Office activity relevant to the Compact.

The Compact

1.2 The national Compact (the Compact) is a voluntary agreement which sets out shared commitments and guidelines for effective partnership working between central government departments (and their associated non-departmental public bodies, arm's-length bodies and executive agencies) and civil society organisations in England.³

1.3 The Compact sets out 5 broad outcomes for effective partnership working between government and civil society organisations (**Figure 1** overleaf). Each outcome includes undertakings for government departments and civil society organisations, including, for example, transparency of funding decisions and meaningful consultation on policy.

1.4 The Cabinet Office introduced the Compact in 1998. In November 2009, the Cabinet Office refreshed the Compact to reflect legal, policy and practice changes, and in December 2010, it renewed and re-launched the Compact to make it easier to use and understand, improve accountability, and align it with the government's Big Society agenda.

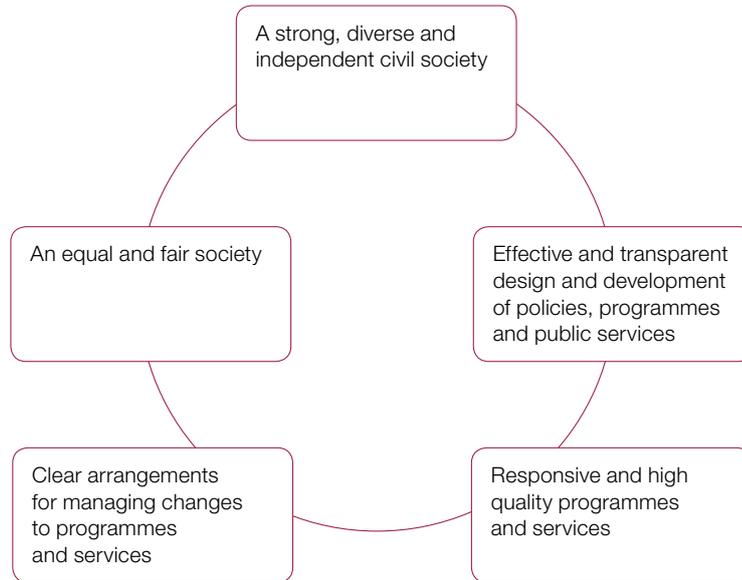
1.5 Alongside the renewed Compact in 2010, the Cabinet Office published *The Compact Accountability and Transparency Guide* (the Guide).⁴ The guide sets out additional measures to strengthen the Compact's implementation including:

- clarifying complaints procedures;
- requiring departments to include from 2012-13 a statement in their Business Plans on how they are implementing the Compact; and
- establishing a role for Ministers as a means of raising concerns or dealing with departures from the Compact.

³ *The Compact* is available at: www.gov.uk/government/uploads/system/uploads/attachment_data/file/61169/The_20Compact.pdf

⁴ Available at: www.gov.uk/government/uploads/system/uploads/attachment_data/file/61168/The_20Compact_20Accountability_20Guide.pdf

Figure 1
The Compact's 5 outcomes



Source: The Compact

Main stakeholders

1.6 Figure 2 sets out the main stakeholders and their responsibilities.

1.7 The Cabinet Office, through the Office for Civil Society (part of the Government Innovation Group), is responsible for the Compact within government. The charity Compact Voice represents and supports the civil society sector on issues relating to the Compact. In 2014-15, it will receive £378,000 grant funding from the Cabinet Office.

1.8 All central government departments (and their associated non-departmental public bodies, arm's-length bodies and executive agencies) have signed up to the Compact. The Compact is voluntary and has no legal or contractual status.

Figure 2**Main stakeholders in the Compact**

Stakeholder	Role and responsibility
Cabinet Office – Office for Civil Society	Responsible for the Compact within government. The Office for Civil Society offers support to departments in their implementation of the Compact, including sharing good practice.
Central government departments Civil society organisations	Signatories to the Compact's commitments for effective partnership working.
Compact Voice	A national umbrella organisation that supports the civil society sector to take forward the Compact. It provides training and advice to the sector on using the Compact, and represents sector interests to government. Almost all its funding comes from the Office for Civil Society, part of the Cabinet Office.
Compact Advocacy Programme	A grant funded project, based at the National Council for Voluntary Organisations. Until April 2013, it investigated and mediated on behalf of the civil society sector on reported instances of non-compliance with Compact principles. The project was funded by the Big Lottery Fund.

Source: National Audit Office

Central government's engagement with civil society

1.9 The civil society sector plays an important role in the delivery of public services. In June 2013, the Prime Minister said, at a G8 event on social investment, “social enterprises, charities and voluntary bodies have the knowledge, human touch and personal commitment to succeed where governments often fail”. In March 2014, the government repeated its commitment in the Coalition Agreement to “support the creation and expansion of mutuals, co-operatives, charities and social enterprises, and enable these groups to have much greater involvement in the running of public services”.

1.10 The Compact defines civil society as comprising charities, social enterprises and voluntary and community groups. Organisations that make up civil society are diverse: they encompass a wide range of activities, areas of interest, size, and income (from small community groups to large national charities), differing organisational structures and capacity. The National Council for Voluntary Organisation's 2014 *UK Civil Society Almanac* identifies 132,000 voluntary organisations as being active at the heart of civil society in England in 2011-12.

1.11 In 2011-12, civil society organisations received income of some £5.9 billion from central government. Nearly two-thirds of this income was from grant funding, and the remaining third was from contracts. We asked 14 of the main central government departments whether their level of interaction with the sector had increased, remained about the same, or decreased compared with previous years.⁵ Five departments told us their interaction with the sector had increased; 9 said that it was the same.

Changes since our 2012 report

1.12 Since our 2012 report, the Cabinet Office has demonstrated its continuing commitment to the Compact in several ways, including promoting the importance of the Compact to government departments and raising its profile by requiring annual reporting on compliance with the Compact in departmental Business Plans. **Figure 3** gives more detail on Cabinet Office activity relating to the Compact.

1.13 In August 2014, the Office for Civil Society and Compact Voice published a revised joint action plan, which set out activities for both to strengthen the implementation of the Compact across central government. The revised plan includes commitments for the Cabinet Office, departmental leads for the Compact, and Compact Voice against 8 objectives including:

- working with government departments to raise awareness of partnership working with the voluntary sector and the Compact;
- supporting the development of policies to reflect Compact principles;
- providing guidance and support for the development and monitoring of Business Plans through the departmental Compact leads; and
- taking forward the recommendations in our 2012 report.

1.14 In January 2013, the House of Lords' Secondary Legislation Committee published its report on the government's new approach to consultation.⁶ The report was based on a review of how well the Cabinet Office's new consultation guidance (see Figure 3) was working. The report emphasised the potential benefits to government of improved policy formulation and implementation from handling consultations properly. It also made recommendations for government to consider, including a review of the *Consultation Principles*.⁷

5 Not including the Foreign & Commonwealth Office or the Department for International Development which have little involvement with domestic civil society organisations; or the Ministry of Defence which has little involvement with civil society.

6 House of Lords, Secondary Legislation Scrutiny Committee, 22nd Report of Session 2012-13, *The Government's new approach to consultation – "Work in Progress"*, 10 January 2013.

7 Cabinet Office *Consultation Principles*, July 2012. Available at: www.gov.uk/government/uploads/system/uploads/attachment_data/file/255180/Consultation-Principles-Oct-2013.pdf

Figure 3

Recent Cabinet Office activity relating to the Compact

Date	Description of Cabinet Office activity
February 2012	The Minister for Civil Society announces the Compact will be one of the government's 6 core cross-departmental priorities against which departments will report progress annually in their Business Plans from 2012-13.
March 2012	The Minister for Civil Society writes to all government departments promoting the importance of the Compact and the principles of meaningful engagement with the sector.
June 2012	The Cabinet Office appoints a Civil Society Crown representative to give the sector a voice in public sector procurements.
July 2012	The Cabinet Office publishes new consultation guidance, which specifically refers to supporting and promoting the principles of the Compact across government departments.
December 2012	The Cabinet Office publishes a progress update on ' <i>Making it easier for civil society to work with the state</i> ' including reference to a Commissioning Academy to support public sector staff to commission, in part, in a way that is sensitive to the needs of civil society.
April 2013	The Director of the Office for Civil Society writes to all departmental senior responsible officers for the Compact to encourage them to champion the Compact and take forward our recommendations.
August 2013	The Cabinet Office and Compact Voice announce a joint action plan, setting out clear activities to strengthen the use of the Compact across government departments.
March 2014	The Cabinet Office publishes a further progress update on ' <i>Making it easier for civil society to work with the state</i> ' which refers to the Social Value Act (2013) which places a duty on public bodies to consider social value in the pre-procurement stage when contracting for services.
August 2014	The Cabinet Office and Compact Voice publish a revised joint action plan.

Source: National Audit Office

Part Two

Progress on our 2012 recommendations

2.1 This Part of the report sets out the progress departments and the Cabinet Office have made in implementing the recommendations from our January 2012 report and identifies barriers to implementation.

Our approach

2.2 **Figure 4** sets out the recommendations from our January 2012 report. We followed up 14 departments' progress in implementing these recommendations.⁸

Figure 4

Our 2012 recommendations to departments

Departments should:

- a) strengthen their implementation of the Compact by taking a more systematic approach to its oversight. Specific areas on which departments may wish to focus include making sure:
 - i) leadership of the Compact is visible internally and externally, in part by making it clear what behaviours it expects of itself;
 - ii) an evidence base for the implementation of the Compact is in place; and
 - iii) implementation is monitored and reported.¹
- b) be more active in seeking and sharing examples of good practice with each other;
- c) make sure future consultations either meet the 12-week consultation period or, if they will not, provide a clear explanation as to why this is the case;
- d) review their complaints procedures to make sure issues relating to the Compact are sent to the relevant team with oversight of its implementation;
- e) make sure the rationale for funding decisions is clear to civil society organisations; and
- f) consider commissioning periodic reviews of the Compact by, for example, internal audit.

Note

- 1 For analysis purposes we have treated as sub-recommendations the 3 bullets in recommendation (a). Subsequent analysis should be considered against this background of effectively 8 recommendations.

Source: National Audit Office report *Central government's implementation of the national Compact*

⁸ For our 2012 report, we conducted structured interviews with 9 departments, which represented 98% of 2010-11 spend with the civil society. We gave the 5 departments that we did not meet the opportunity to respond to a short consultation; we received 4 responses. We excluded the Foreign & Commonwealth Office, the Ministry of Defence and the Department for International Development from our review as they have little involvement with domestic civil society organisations. Our follow-up covers the same 14 departments as our 2012 report.

Department's progress in implementing recommendations

2.3 Our analysis, by recommendation, of departments' actions shows slow progress. Overall, none of the recommendations achieved an assessment above 'adequate' based on the departments' responses (**Figure 5**). Most departments acknowledge that they have more work to do and larger departments told us it would take some time to make changes.

2.4 We judged 5 of the 8 recommendations to have adequate responses overall across Whitehall. These relate to:

- making sure leadership of the Compact is visible internally and externally;
- making sure departments have an evidence base for Compact implementation in place;
- seeking and sharing good practice;
- providing for consultations shorter than 12 weeks a clear explanation as to why this is the case; and
- making sure the rationale for funding decisions is clear to the sector.

Figure 5

Departments' progress in implementing our 2012 recommendations

Recommendation theme (reference to Figure 4)	Number of departments					Number of departments which did not respond	Overall assessment
	Strong	Adequate to strong	Adequate	Weak to adequate	Weak		
Leadership a) i)	1	3	9	0	1	0	Adequate
Evidence base a) ii)	0	0	5	1	1	7	Adequate
Monitoring and reporting a) iii)	0	1	4	1	5	3	Weak to adequate
Good practice b)	0	4	4	5	1	0	Adequate
Consultations explained c)	1	2	6	3	1	1	Adequate
Complaints procedure d)	1	1	3	6	2	1	Weak to adequate
Funding rationale e)	0	1	5	5	1	2	Adequate
Review f)	0	2	2	8	2	0	Weak to adequate

Note

1 Not all departments responded to each recommendation – see Appendix Two for more details.

Source: National Audit Office

2.5 There is room for improvement across all of our 2012 recommendations, in particular those where we judged departments' actions to be weak to adequate. These relate to departments:

- making sure Compact implementation is monitored and reported;
- reviewing their complaints procedures so issues relating to the Compact reach the relevant team; and
- considering commissioning periodic reviews of the Compact.

Barriers to improvement

2.6 Overall, departments did not report significant barriers to implementing our recommendations and even those that did highlight barriers still reported some actions in response to our recommendations. Five departments did not highlight any barriers to improving their implementation of the Compact. Of the 9 departments reporting barriers, the most common barrier related to resource constraints (6 departments).

2.7 Three departments cited, separately, a recent departmental reorganisation meaning significant change to the team responsible for the Compact, the priority that departments gave to the Compact, and the complexity and geographical spread of the department's operation as barriers to implementing our recommendations.

Cabinet Office's progress against our recommendations

2.8 The Office for Civil Society has made good progress in implementing the recommendations in our 2012 report (**Figure 6**).

2.9 The Office for Civil Society has made progress in addressing our concerns about the lack of a central body to identify and share good practice on Compact implementation. In March 2013, it set up with Compact Voice a cross-departmental Compact group that brings together Compact leads from each government department to share good practice on Compact working. The group has met 5 times.

2.10 Part of the grant that the Office for Civil Society gives to Compact Voice is to fund reports and guidance on the implementation of the Compact across government and departmental good practice.

Figure 6

Cabinet Office has responded positively to the recommendations in our 2012 report

Recommendations

The Office for Civil Society should:

- set out its areas of responsibility for the Compact. Specifically, it should set out its role with regard to supporting departments and for identifying good practice.

- identify scope to convene a forum (for example, through face-to-face meetings or online) of departmental representatives with responsibilities for the Compact in order to identify and share good practice and consider the merit in an annual cross-departmental meeting, possibly including Ministers.

- possibly by commissioning an external organisation such as Compact Voice, review the Compact relevant elements of the 2012-13 departmental Business Plans to identify and then disseminate areas of good practice.

Action taken

The Minister for Civil Society set out the Cabinet Office's responsibilities in response to a parliamentary question. For example, acting as the sponsor department for Compact Voice and liaising with officials across central government departments on Compact related business.

However, the Cabinet Office has not published its responsibilities on its website.

In March 2013, the Cabinet Office together with Compact Voice set up a cross-departmental Compact group to share good practice. The group has met 5 times.

The Cabinet Office funds Compact Voice to provide guidance and report on Compact implementation. Compact Voice has published high-level findings on Compact statements in departments' Business Plans since 2012-13 (see paragraph 3.18).

Source: National Audit Office

Part Three

Monitoring and reporting

3.1 This Part of the report covers departments' monitoring of Compact complaints, the length of consultations, and departments' reporting of the Compact in their annual Business Plans. It also sets out the current approach to central oversight of complaints about departments' implementation of the Compact.

Compact complaints

3.2 The government believes "it is important to increase the transparency around how the Compact is being implemented".⁹ The government renewed the Compact in 2010, in part, to put in place options for dealing with departures from the Compact. In our 2012 report we reported that complaints received are departments' main way to identify issues of concern with their implementation of the Compact. This approach relies on the ability of officials handling complaints to recognise Compact related complaints and flagging them as such.

Departments' monitoring of Compact complaints

3.3 Departments have been slow to improve their arrangements for monitoring Compact complaints. We asked departments how they monitored the number of Compact related complaints they received. We found 10 of the 14 departments had not specified their approach to monitoring the number of Compact complaints.

3.4 Of the 4 departments that monitor Compact complaints:

- 1 used a separate team to deal with Compact complaints;
- 1 told us that its senior responsible officer for the Compact deals with complaints;
- 1 told us that centrally logged complaints relating to the Compact would be referred to the Compact team; and
- 1 told us that its complaints team was aware of the Compact and would label complaints as Compact specific.

⁹ Cabinet Office, *Compact Accountability and Transparency Guide*, December 2010.

3.5 Where departments had not established a Compact specific approach to monitoring complaints, the departmental Compact teams rely on their general complaints handling team to route Compact related complaints to them. Six of the 10 departments without a monitoring system said they rely on complaints being referred to them either through central complaints procedures or liaison arrangements with sector organisations.

3.6 All 14 departments we contacted said they had received no complaints about the Compact during 2012. However, the Cabinet Office has received 2 complaints relating to other departments (in March and December 2012) and Compact Voice knows of complaints relating to 8 national bodies, including 4 departments in the period between November 2011 and April 2013 (paragraph 3.10). Although the number of complaints is relatively low, it is important that Compact related complaints can be separately identified in order to ensure the Compact is being complied with and to meet the government's commitment to transparency.

3.7 While progress has been slow, we found some evidence of good practice.

- One of the 4 departments which said it had a monitoring system has reviewed and strengthened its complaints handling arrangements since we published our report in January 2012. It now shares information (such as the Compact guidance) with its complaints and communications teams to ensure any Compact related complaints will be properly identified, recorded and dealt with appropriately.
- One department plans to include in its complaints handling guidance an example of a Compact complaint to make it clear how they should be recorded.
- One department intends to review its central log of complaints for Compact complaints.

Central oversight of Compact relevant complaints

3.8 There is no formal and complete central oversight of Compact complaints. In April 2013, the Compact Advocacy Programme (the Programme) ended when the Big Lottery Fund 3 year grant was completed. The Programme, part of the National Council for Voluntary Organisations, was the sole central repository of reports from the civil society sector on potential instances where departments were not following the Compact. It also represented, anonymously, sector organisations that did not want to openly challenge a central government body's decision. The Cabinet Office has not formally transferred the Programme's responsibilities elsewhere, although Compact Voice which has previously worked closely with the Programme has supported some unfinished cases.

3.9 In 2012, the Cabinet Office established a process for Compact Voice to raise complaints that it becomes aware of through its networks and members with the Office for Civil Society. The Office for Civil Society approaches the relevant department to seek clarification and provides support to help resolve issues where appropriate. In August 2013, as part of its joint action plan with the Office for Civil Society, Compact Voice undertook to provide the Office for Civil Society with information about potential breaches of Compact principles raised by its networks and members. The Cabinet Office told us that Compact Voice is now the main source for identifying complaints, informally through its network of contacts.

3.10 In our 2012 report we noted that the Compact Advocacy Programme had received 7 complaints in the period January 2011 to October 2011. It received 8 from national bodies (including 4 from departments) in the period November 2011 to April 2013.¹⁰ In each of the 5 years between 2006 and 2010, the number of complaints averaged 25.

Departments' consultations

Consultation length

3.11 In July 2012, the Cabinet Office published *Consultation Principles* to replace the 2008 Code of Practice on Consultations. The Cabinet Office updated the guidance in November 2013 and gave departments greater flexibility to consult over a period less than the default consultation length of 12 weeks. The Cabinet Office told us that the guidance was intended to make sure that consultations across government are conducted meaningfully. Departments may, outside of consultations, engage with the sector in other ways to help, for example, design services once commissioned and through forums focused on specific issues.

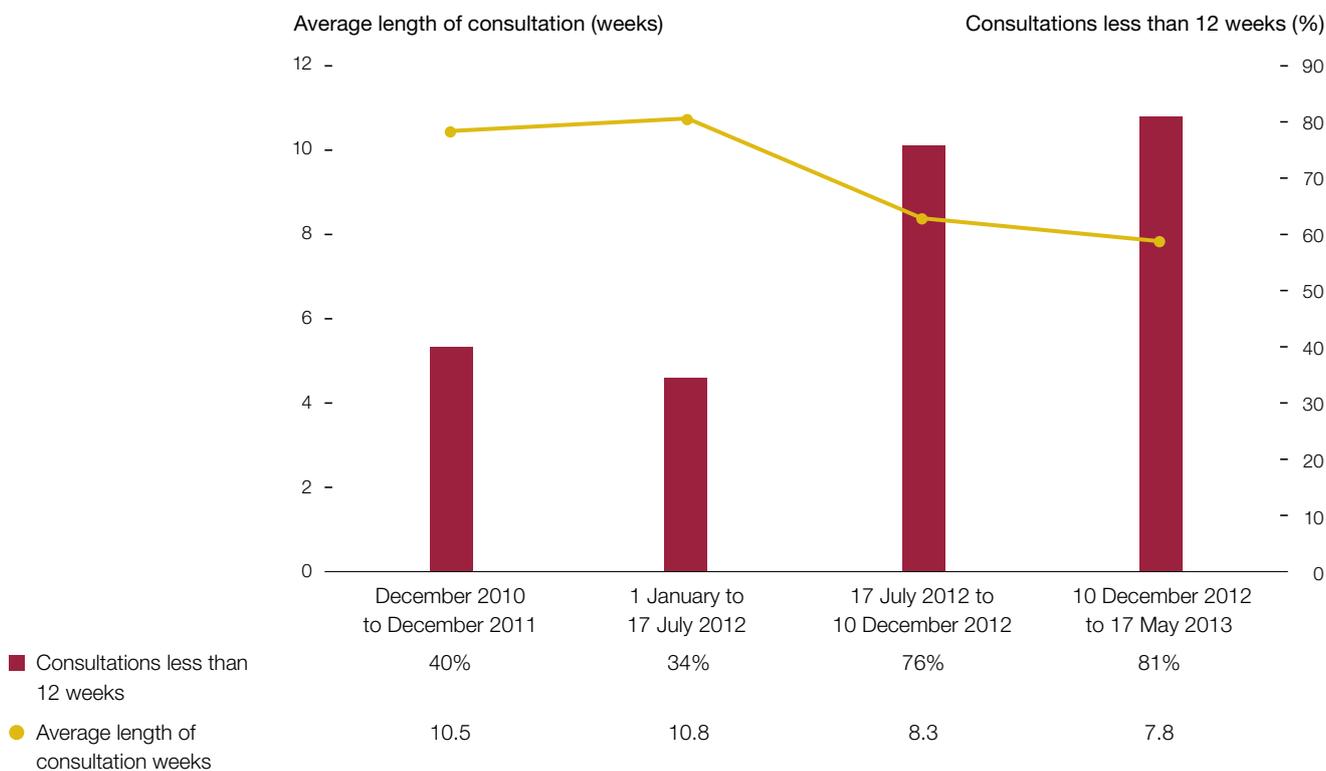
3.12 The guidance says that longer and more detailed consultations would be needed where, for example, small charities could be affected. The guidance also emphasises that the Compact's principles should not be undermined, and refers prominently to the Compact's undertaking on consultations which states "Where it is appropriate, and enables meaningful engagement, conduct 12-week formal written consultations, with clear explanations and rationale for shorter time-frames or a more informal approach."

3.13 Our analysis shows an increase in the percentage of consultations run for less than 12 weeks since we last reported (**Figure 7**). We used the Cabinet Office's data on consultations in 2012 provided for a House of Lords' examination of consultations (see paragraph 1.14) and subsequent data to May 2013. In the period after the Cabinet Office published its *Consultation Principles*, the percentage of consultations under 12 weeks increased from 40% to 81%; and the average length of consultations decreased from 10.5 weeks to 7.8 weeks.

¹⁰ In our 2012 report we reported the number of complaints in the period January 2011 to October 2011. The Compact Advocacy Programme ceased operating in April 2013.

Figure 7

Departments are increasingly running shorter consultations



Notes

- 1 This analysis is based on the 14 government departments included in our follow-up. It does not include the Foreign & Commonwealth Office, the Ministry of Defence or the Department for International Development which have little involvement with domestic civil society organisations.
- 2 The first time period covers 12 months; subsequent time periods cover either 5 or 7 months.
- 3 The 2010-11 figures are based on the 9 departments we met with as part of our 2012 study. The departments excluded are the Foreign & Commonwealth Office, the Ministry of Defence, the Department for International Development, the Department for Business Innovation & Skills, the Department of Energy & Climate Change, the Department for Transport, HM Revenue & Customs, and HM Treasury.
- 4 Our analysis of Cabinet Office data excludes consultations not covered by the consultation guidance. For example calls for evidence, informal consultations, and consultations.

Source: National Audit Office analysis of Cabinet Office data on consultations

Departments' monitoring of consultation length

3.14 Departments could give more thought to the length of individual consultations before they start and then to monitoring the average length of consultation periods. Only 1 department in our review had a system in place to consider the length of consultation period before launching the consultation. Another department had a system to review consultation length once published. Of the other 12 departments, 9 had no system to monitor consultation length and 3 reported having a partial system.

3.15 We asked departments to explain why consultations were shorter than 12 weeks, and to say where it published the reason – as required by the Compact.

- One department said it did not run any consultations of less than 12 weeks during 2012 and another told us that it did not run any consultations during the period which were relevant to the civil society.
- One department had published the reasons for all its short consultations.
- Four departments were able to give reasons for some of their short consultations but could not show in all cases where this was published.
- The remaining 7 departments did not provide us with a response to this question, so we conclude that they had not documented internally or externally their justification for shorter consultations.

3.16 The main reasons departments gave for shorter consultations were: lack of time; previous related consultations or some informal contact with relevant stakeholder groups; or that it was a proportionate to the nature of the issue on which they were consulting. One Permanent Secretary responded to concerns Compact Voice raised about a short consultation by describing the department's plans to improve policymakers' and commissioners' understanding of and adherence to the Compact principles. Another department intends asking its policy teams to justify consultation length when the consultation is announced.

Reporting Compact implementation

Departments' reporting on the Compact

3.17 Departments must give a statement on compliance with the Compact in their Business Plans.¹¹ In February 2012, the Minister for Civil Society strengthened the government's commitment to increasing transparency of Compact implementation by announcing that it would be one of the government's 6 core cross-departmental priorities that each department would report on annually in their Business Plans from 2012-13. The Cabinet Office issued guidance to departments while 2013 departmental Business Plans were under development which stated that "departments are required to refresh the commitments published in current Business Plans against the following statement: ensure compliance with the Civil Society Compact, including collaborative working with the civil society sector". The guidance highlighted the importance of departments showing they are addressing the recommendations in our 2012 report on the Compact.

3.18 Since the Cabinet Office issued its guidance, the prominence and quality of the Compact statement in departments' Business Plans has improved. In the 2012-13 departmental Business Plans, only 5 of the 14 departments went beyond the minimum reporting required by the guidance, and gave specific examples of their commitments to the civil society sector. The remaining 9 departments either repeated the extract from the guidance or added broad, non specific statements of planned activity with the sector. In the 2013-14 Business Plans however, 9 of the 14 departments went beyond the minimum required by the guidance.

3.19 Compact Voice reviewed the Compact specific elements of each department's 2013-14 Business Plan.¹² It reported that it was "clear from this year's plans that understanding of how Compact principles should be used by departments has improved". Compact Voice found, for example, that many departments had expanded on what they had reported the previous year. Several had referred to work they would be doing to strengthen their relationship with the civil society sector through the Compact.

¹¹ In December 2010, the Cabinet Office published the *Compact Accountability and Transparency Guide* (the Guide), alongside the Compact (see paragraph 1.5). The Guide includes a requirement, from 2012-13, for departments to include a statement on how the Compact is being implemented in their Business Plans.

¹² Compact Voice's website provides high level findings from its review and restates each departments' Compact statements.

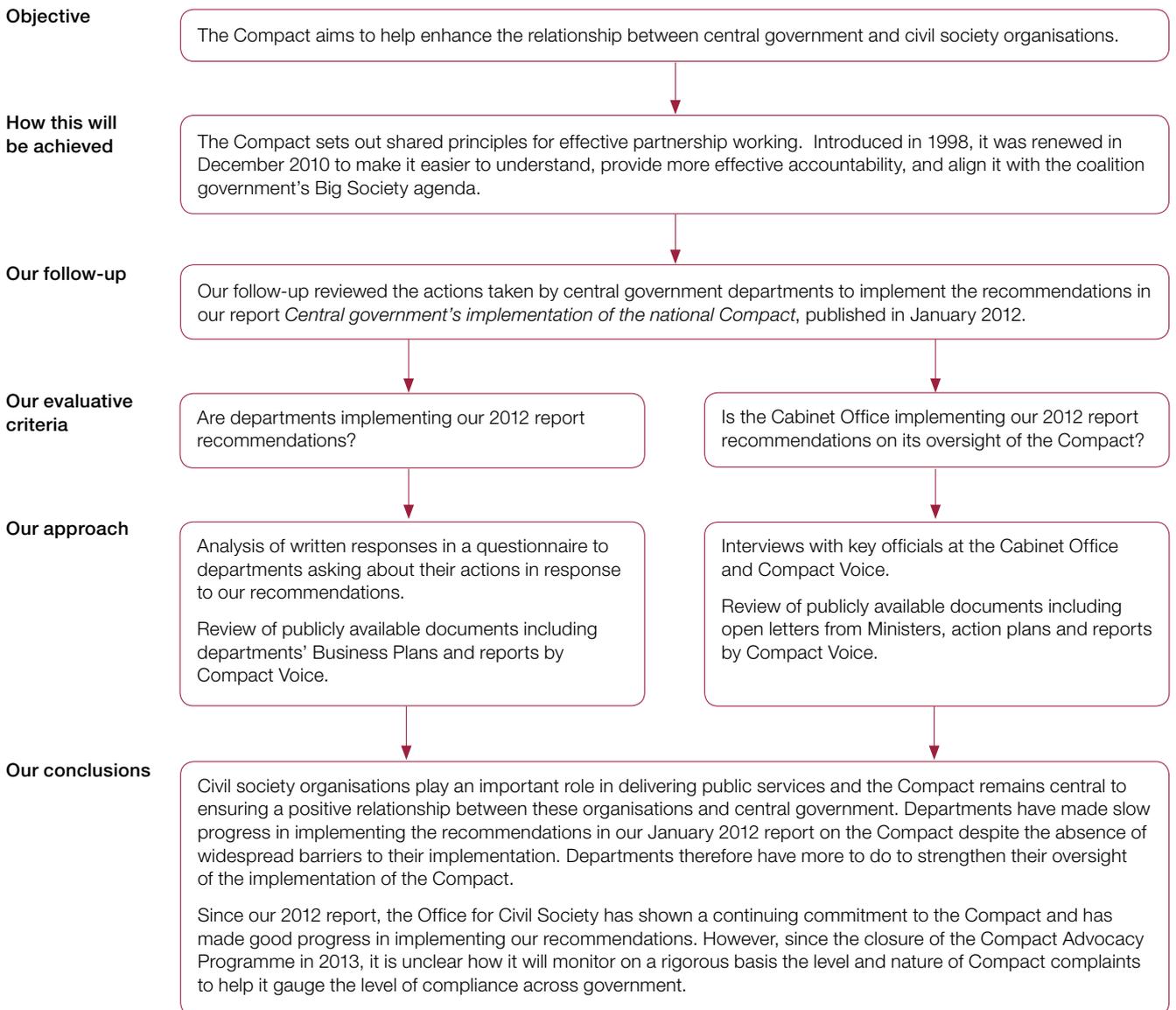
Appendix One

Our audit approach

- 1** We examined departments' and the Cabinet Office's actions to implement the recommendations in our January 2012 report *Central government's implementation of the national Compact*.¹³
- 2** We summarise our audit approach in **Figure 8** and describe our evidence base in Appendix Two.

¹³ National Audit Office *Central government's implementation of the national Compact* January 2012. Available at: www.nao.org.uk/wp-content/uploads/2012/01/National_Compact.pdf

Figure 8
Our approach



Appendix Two

Our evidence base

1 Our independent conclusions on whether central government departments (**Figure 9**), including the Cabinet Office in its oversight role, have implemented our 2012 report recommendations were reached following our analysis of evidence collected between April 2013 and September 2014. Appendix One sets out our audit approach.

2 To assess whether departments are implementing our 2012 report recommendations, we completed our fieldwork in 2 stages:

- In May 2013, we made initial contact with the departments listed in Figure 9. All departments responded by July 2013.
- In August 2014, we asked each department to update us on the actions it had taken since its first response. All departments responded by October 2014.

Figure 9

The departments in our review

Cabinet Office	Department of Health
Department for Business, Innovation & Skills	Home Office
Department for Communities and Local Government	Ministry of Justice
Department for Culture Media & Sport	HM Revenue & Customs
Department for Education	Department for Transport
Department of Energy & Climate Change	HM Treasury
Department for Environment, Food & Rural Affairs	Department for Work & Pensions

Notes

- 1 Departments are listed in alphabetical order.
- 2 In line with our first report we did not contact the Foreign & Commonwealth Office or the Department for International Development which have little involvement with domestic civil society organisations; or the Ministry of Defence which has little involvement with civil society.

Source: National Audit Office

3 We analysed and assessed written responses from each department on:

- its actions from January 2012 to July 2014 in response to our recommendations, and the actions it had planned for the rest of 2014;
- barriers to the implementation of those recommendations;
- the number of complaints alleging non-compliance with the Compact received between January 2012 and July 2014; and
- the length of each consultation it had carried out during 2012 and 2013.

4 For each recommendation departments provided an indication of the action they had taken or were proposing to take. Sometimes departments left their response to a particular recommendation blank and did not explain why this was the case. We have excluded these incidents from our analysis as we did not know why this was the case (for example, because of omission from the return, or because the department had not acted).

5 We reviewed departments' responses to arrive at 1 of 5 possible assessments – ranging from strong to weak, for actions taken and actions planned (**Figure 10**). We combined these assessments to reach an overall assessment across the 14 departments for each recommendation.

Figure 10

Our assessment descriptions

Assessment	Description
	In response to the recommendation, the department has taken or has plans to take:
Strong	action across the department drawing on the tools we identified in our 2012 report (repeated in Appendix Three of this report) or provided other evidence of good practice.
Adequate to strong	action in a part or parts of the department, rather than across the department as a whole.
Adequate	some actions drawing on the tools we identified in Appendix Three for the recommendation.
Weak to adequate	few actions and has only given general consideration to planned actions.
Weak	no action; or there is no clear link between actions taken/planned and the recommendation.

Source: National Audit Office

6 We reviewed publicly available documents including departmental Business Plans for evidence of reporting on Compact implementation, a requirement since 2012, and reports by Compact Voice on departments' activity since 2012.

7 To assess whether the Cabinet Office is implementing our 2012 report recommendations on overseeing the Compact, we:

- interviewed officials from the Office for Civil Society (the part of the Cabinet Office responsible for the Compact within central government) to understand the actions it had taken since our 2012 report and its plans for the rest of 2014;
- reviewed publicly available documents and information about Cabinet Office actions relevant to overseeing the Compact, including action plans, department announcements, new guidance and open letters from the Minister for Civil Society; and
- reviewed reports from Compact Voice on Cabinet Office activity since our 2012 report.

Appendix Three

Suggested tools and their effects

1 Departments have varied types of interaction with the civil society sector so will need different tools to help them to implement the Compact. In our 2012 report, we identified some tools which would or do assist departments to implement the Compact. **Figure 11** on pages 30 to 32 sets out these tools and how they could be used to realise the Compact's intentions. These principles were set out on page 12 of our 2012 report, *Central government's implementation of the national Compact*.

2 Departments should choose the most appropriate tools to their circumstances. They should consider whether the tool is proportionate to their engagement with the sector and regularly assess whether arrangements are cost effective and implement the Compact appropriately.

Figure 11

Tools to help implement the Compact

Tools	Principles				
	A Arrangements should support leadership and ownership of Compact implementation	B Arrangements should support internal and external reporting on Compact implementation	C Arrangements should support identification and sharing of good practice	D Arrangements should support the evaluation of Compact implementation	E Arrangements should encourage transparent relationships with civil society
Senior responsible officer for the Compact	Appointing a responsible member of staff provides a focal point for department governance structures				A senior responsible officer is a visible contact point for civil society
Cross-departmental/government groups focusing on the Compact			Cross-departmental groups provide a forum to share good practice		These groups can share good practice within or across departments
Advisory Boards including sector representatives	Advisory Boards grant senior management access to the perspectives of the sector		Advisory Boards can allow the sector to raise concerns and feed into policy development		Advisory Boards enable sector organisations to request information and publish it
Departmental Business Plans	Senior management disclosures encourage accountability throughout the organisation	Business Plans report performance to an external audience	Business Plans allow departments to understand best practice	Business Plans can encourage departments to evaluate Compact implementation	Business Plans give an account of the department's sector engagement
Board reporting on the Compact	Allows senior management to gain a perspective on the Compact	Board reporting informs an internal audience		Board scrutiny will prompt evaluation of the Compact's implementation	Board reporting enables sector organisations to hold the Board to account
Annual Report disclosures concerning the Compact		Annual Reports report to an external and Parliamentary audience		Annual Reports provide an opportunity for departments to evaluate processes	Annual Reports give an account of the department's sector engagement
Communications with non-departmental public bodies about the Compact			Email lists including departments and non-departmental public bodies allow good practice sharing		Communications with non-departmental public bodies ensures information concerning them is accurate and can be given to civil society

Figure 11 *continued*

Tools to help implement the Compact

Tools	Principles				
	A Arrangements should support leadership and ownership of Compact implementation	B Arrangements should support internal and external reporting on Compact implementation	C Arrangements should support identification and sharing of good practice	D Arrangements should support the evaluation of Compact implementation	E Arrangements should encourage transparent relationships with civil society
Compact Week and associated events			Compact Week events can include speakers on Compact implementation		
Supply chain provider events about the department's policy agenda and expectations					Events can allow potential providers to better understand department plans and expectations
Peer reviews and internal audits of Compact implementation	Peer reviews and internal audits give management a perspective on the Compact	Peer reviews and internal audits provide third party assurance of the department's approach	Peer reviews allow experts to share good practice they have seen elsewhere	Peer reviews can provide independent assessment of the department's implementation of the Compact	
Internal events and guidance on Compact working	Set out for staff senior management's commitment to and expectations about the Compact and the key lines of command concerning the Compact				
Mapping exercise of the departmental interactions with the sector	Identifies projects to senior management and identifies the structure of command for relationships with the sector	A mapping exercise supports external and internal reports by identifying department engagement with the sector and its effectiveness			A mapping exercise allows departments to show the sector how they are engaging with it across the piece
Compact Awards			Compact Awards publicise good practice		Compact Awards publicise departmental actions to implement the Compact

Figure 11 *continued*

Tools to help implement the Compact

Tools	Principles				
	A	B	C	D	E
	Arrangements should support leadership and ownership of Compact implementation	Arrangements should support internal and external reporting on Compact implementation	Arrangements should support identification and sharing of good practice	Arrangements should support the evaluation of Compact implementation	Arrangements should encourage transparent relationships with civil society
Strategic Partners Programme (focusing on the sector)			Strategic partners can share good practice with their government colleagues and feedback concerns through departmental contacts		A strategic partners programme can clearly set out what departments and sector organisations can expect from one another
Cabinet Office oversight role of the Compact	Cabinet Office supervises the business of the Compact within government	Cabinet Office can report through its oversight role on the implementation of the Compact across government	Cabinet Office can share good practice across government	Cabinet Office has a role in providing direction on conducting meaningful evaluations	Cabinet Office can be a central contact point for the sector
Incorporating the Compact into new policy and guidance			Ensures that new initiatives are Compact compliant		
Compact kite mark: accredited by Compact Voice or internal self-assessment	Branding reinforces leadership messages about the importance of the Compact	External sign that a documented process is Compact compliant: creating confidence in the sector, for example policy consultations	Identifies a measure that is Compact compliant: provides a model that can be copied		A Compact kite mark shows the sector what departments see as Compact compliant and also which policies have been inspected for compliance

Source: National Audit Office

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