



Unite's response to the draft text for 'The Renewed Compact' October 2010

This response is submitted by Unite the Union, the UK's largest trade union with members across the private and public sectors. The union's members work in a range of sectors including manufacturing, financial services, print, media, construction, local government, education, health and not for profit. Unite represents 60,000 employees in the Community Youth and Not for Profit / Third Sector.

Executive Summary

- Unite share Compact Voices concerns in full.
- It is unclear who will oversee the Compact, how it is implemented, supported and any difficulties in relationship dealt with in the light of the scrapping of the Compact Commissioner.
- The Compact must ensure that TUPE is applied along with the Two-Tier Codes.
- Needs to remain as a Compact between state and the Voluntary and Community Sector - moving to between Civil Society Organisation opens this up to anyone and could make the relationship even more complex. It was set up to address the needs of small community organisations.
- There are no commitments to involve employees, just organisations. Workers voices, as the expert in the front row, and their trade unions, must be fully taken into account.
- There needs to be assurances that third sector organisations, which are not as powerful as private organisations, are given an equal playing field in procurement.
- Public sector duties on equalities must be extended to contracting organisations.
- Organisations have to be able to have robust campaigning and advocacy roles whilst procuring on a level playing field.

- The point of informing organisations of funding decisions at least 3 months in advance of the funding start date has been removed. If contacts are being issued weeks before they are due to start - how can an organisation plan?
- The previous Labour Government brought in that payment of bills must be within 10 working days - this has been removed, as has standardisation, e.g. of monitoring. There has to be standardisation or else administrative costs rise.
- The sub-contacting arrangements are really important, and must be put back in.
- Unite wants to see the Compact deliver the best outcomes for service users. This requires the right environment for employees to deliver those services. Recognition of the link between the working conditions of employees and the quality of services delivered needs to be an integral part of the Compact.
- The Compact must be on a statutory footing. It needs teeth to ensure real ongoing outcomes are achieved.

1. Introductory Comments

- 1.1. Unite welcomes the opportunity to provide input into this debate and to provide additional oral evidence if necessary.
- 1.2. Unite provides suggestions in this document which address key issues, ultimately emphasising the need for a legally-binding, statutory Compact, which would benefit service users and employees, rather than the current voluntary form. This would improve the way in which community and voluntary organisations work together with government by allowing, through the legal system, for courts to require government bodies to comply with Compact undertakings.

2. Key Issues

3. What's best for service users and employees

- 3.1. Unite is keen to emphasise that through the Compact the union wants to ensure the best outcomes for service users and that this requires the right environment for employees to deliver those services. The link between properly rewarded, motivated and valued staff and delivering good quality services is widely acknowledged¹.
- 3.2. Unite members in the Third Sector are frequently reporting working experiences of stress, burn out, bullying, lack of training and excessive administration and working hours. Recognition of the link between the

¹ See, for example, *Playlist for Public Services* (National Consumer Council, 2005)

working conditions of employees and the quality of services delivered needs to be an integral part of the Compact.

3.3. The “more for less” ethos does not work. The long-term sustainability of the sector requires appropriate levels of staffing, training and work organisation. There needs to be a move away from the target culture and tick box mentality to a more ‘user needs’ culture, that, with the involvement of staff, allows for creative solutions.

3.4. Training needs to be a core value of the Compact, ensuring that the workforce is appropriately trained to provide the best services. Unite notes the previous Government’s assertion that *“Improving the nation’s skills is at the heart of the Government’s agenda”*².

3.5. Part of the on-going dialogue, therefore, needs to be with the representatives of staff, i.e. the unions. This voice has been silenced within the current structure of the Compact.

3.6. There should be an emphasis on service design and analysis of need with all stakeholders at a pre-commissioning stage, and not just ‘efficiencies’ nor cuts, as most services are now as lean as they can be. Real dialogue must be undertaken about where services need to go, as opposed to discussions which are cost driven.

3.7. In 1997 there were many funding streams which were needs led. We need to get back to this kind of model, rather than a cost led approach. An example of the cost led approach is in legal advice where the LSC has moved to a tick-box culture of providers providing lots of advice to lots of people, but there is little resource for providing acts of assistance - helping people to know what to do with that advice. This leads to clients ending up doing nothing with it, which wastes money and time.

4. Values

4.1. The Compact must ensure that the values for those that work in the sector are embedded around quality employment where training, equality and employee welfare are taken into account.

5. Professionalism

5.1. The Compact addresses the important issue of volunteers, however, it does not reflect at all on the professionalism and skills of the paid third sector workforce.

6. Workforce contribution

6.1. It should be recognised that the workforce has a lot to contribute to the shape of services since they are at the frontline between service delivery and the needs of end users.

² http://www.dius.gov.uk/skills/policy_at_glance.aspx

- 6.2. The workforce, either directly or via some other forum, must be properly consulted when it comes to service delivery as they have specific relevant experience which can be built upon. Dialogue must not be tokenistic.
- 6.3. Consultations and related processes should be clearly articulated and promoted, so that interested parties, such as the workforce, are able to fully contribute. Statutory authorities should be pro-active in contacting people in the workforce and their representatives. If they just speak to contract managers, chief executives or chairs, this can often exclude the real experts in particular fields. A lot of organisations are now using pre-consultation methods before formal consultations and it would be good to engage the workforce at this time to ensure that the right questions are asked in the consultation.

7. Holistic approach

- 7.1. The allocating of resources and commissioning should take into account employees. Additionally, Third Sector organisations must be properly involved in co-design which must be outcomes focused rather than outputs focused.
- 7.2. The implementation of Service Level Agreements rather than wholesale contracting out is required.
- 7.3. The removal of excessive administration wherever possible, along with payment within contracts addressing "Full Cost Recovery", needs to be implemented.
- 7.4. Unite sees the real issue here as the 'more for less' agenda, which cannot be allowed to continue. Cutting corners results in staff paying the price, e.g. working excessive hours as a "volunteer" to meet service needs. This is a really important issue. Provision should be considered as to how to support organisations in cases of sick leave or parental leave, for example.
- 7.5. Social investment in a service could well prevent service users increasing demand and costs on services elsewhere - prevention is better than cure. When services fail people, they still have issues that need addressing, e.g. when primary health fails the individual could end up in acute services which would cost more.
- 7.6. There needs to be a focus on long term funding, e.g. 5 - 10 years, not 3 years. Decision making should be made further in advance, as it might mean that an organisation is going to have to TUPE staff, or there could be redundancies. Therefore, decent timelines are required. Such discussion needs to involve employees as they are able to provide relevant information and are likely to be impacted on most. Consultation periods of three months are too short, as is the case for redundancies, and therefore organisations may not be able to fulfil their statutory responsibilities.

8. Statutory footing

8.1. Unite sees the need for the Compact to be on a statutory footing.

8.2. A move towards making the Compact statutory is, Unite feels, essential to realising its full potential. The status-quo, where it has no teeth, is unsustainable. Large sums of money are being injected into a bureaucracy, without evidence of real ongoing outcomes being achieved.

8.3. A statutory framework could seriously improve the relationship between the statutory and third sectors and bring real benefit to services and, ultimately, added value to expenditure of public funds.

9. Collective bargaining

9.1. Whilst Unite has collective negotiation rights in organisations, many of the decisions made by the commissioners actually impact on collective bargaining. Therefore, there is a need to ensure that trade unions have an impact at this level. Cost of living increases, for example, are not built into pay, and pay, terms and conditions, including pensions, are increasingly being determined by commissioning organisations.

10. Conclusion

10.1. Unite wants to see the Compact deliver the best outcomes for service users. This requires the right environment for employees to deliver those services. If consulted, resourced, rewarded and treated well, employees, who are already committed to the people they serve, will be able to deliver a high quality service that meets relevant KPIs and outcomes.

10.2. Finally, and most importantly, the Compact must be on a statutory footing. It needs teeth to ensure real ongoing outcomes are achieved.

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