

Midlothian



# Midlothian Compact 2020 - 2025

*Working together for the wellbeing of Midlothian's communities*

## Foreword on behalf of Midlothian Council

Midlothian has long been recognised for the strength of the working relationships that exists between the council and the third sector. Through collaboration, co-production and innovation, we are better placed to deliver the positive outcomes needed to meet our partnership priorities for Midlothian's communities – reducing the gap in learning and health outcomes and reducing the gap in economic circumstances.

This latest version of the Midlothian Compact builds on that success. As well as setting out the values that underpin our relationship, the compact identifies the future actions and outcomes that we aim to achieve by further strengthening cross-sector collaboration.

In the current financial climate, and with the many challenges facing the public sector, it is more important than ever that we maintain and build on our commitment to shared values and partnership working.

We are proud of, and grateful for, the positive contribution our volunteers and third sector partners make to Midlothian life and remain committed to working together for the wellbeing of our communities.

Councillor Russell Imrie  
Cabinet Member for Communities  
Midlothian Council

## Foreword on behalf of Midlothian Third Sector Forum

Midlothian's Third Sector, which includes its many community groups, charities and social enterprises, as well as thousands of individual volunteers, contributes tremendously to the quality of life for the county's residents. It is also a significant employer and contributor to the county's economy. Our sector seeks to ensure that people across Midlothian, particularly those who are most vulnerable, have access to the services, activities and relationships they need for a happy, healthy life.

The past decade has been a difficult one for the Third Sector. Reductions in public budgets have had a profound knock-on impact on many Third Sector organisations in Midlothian. A strong and open relationship with our partners in Midlothian Council, and throughout the statutory sector, is essential to our resilience and continuing ability to meet local needs. The quality of this relationship has been recognized over many years, and has been built by dedicated individuals and services in both sectors. However, like all relationships, it requires nourishment and commitment to working through challenges as they arise.

This refreshed edition of the Midlothian Compact sets out the core values which will underpin this relationship: togetherness, respect, accountability, creativity and kindness. The actions will help us develop innovative new ways of working together, sharing resources and ensuring we are able to meet the challenges of the new decade, including Covid19 Pandemic and the climate emergency which will increasingly affect all of our lives.

George Wilson  
Chair of the Midlothian Third Sector Forum

## Introduction to the Midlothian Compact 2020

The purpose of the Midlothian Compact is to create the foundation for positive working relationships between the third sector and Midlothian Council to support better outcomes for communities. It updates and builds upon the original compact, which was produced in 2008. It sets out the values that will underpin our relationship, provides a clear overview of the legislative framework, the current social and economic environment, and identifies a series of actions and outcomes that we will seek to achieve through strengthened cross-sector collaboration.

At a time of continuing financial contraction in the public sector, which has significant knock-on impacts for the third sector, we consider it to be more important than ever that we continue to maintain and strengthen our commitment to shared values and partnership.

## Values of the Midlothian Compact

The Midlothian Compact establishes a set of core values that will shape and define the relationship between the third sector and our community planning partners. These values should form the basis of all strategic and day-to-day interactions and communications between the sectors. These are:

- 1. Togetherness:** the sectors will work together to design and deliver services for the people of Midlothian. Public sector decisions affecting the operation and/or resourcing of third sector organisations will not be made without engagement with the sector. Similarly, funding bids by third sector partners which affect the operation/resourcing of public services will not be made without engagement with the relevant public sector partners
- 2. Respect:** we will offer each other mutual respect and parity of esteem, valuing the knowledge, skills and constraints within both sectors, at all levels
- 3. Accountability:** we will work with each other openly and with mutual accountability
- 4. Creativity:** we will seek creative approaches to opportunities and challenges
- 5. Kindness:** we are committed to putting kind, socially-inclusive interactions at the heart of all our work, trusting our partners to make meaningful connections, creating space for partners to come together, and addressing people's needs holistically.

These TRACK values —Togetherness, Respect, Accountability, Creativity and Kindness—will ensure that the relationships between our sectors develop in ways which ensure the best outcomes for local communities.

## What is the third sector?

The third sector is an overarching term which includes charities, social enterprises, community groups and other forms of non-profit distributing bodies which have been established for social and/or environmental benefit.

We have opted to use the term third sector rather than voluntary sector, which was used for the original compact. This is to dispel the common but incorrect assumption that the sector is staffed and run primarily by unpaid volunteers. While the majority of third sector organisations are required to be governed by unpaid directors or committee members, the sector employs around 140,000 people in Scotland (roughly similar to NHS staffing numbers) and is heavily reliant upon paid, professional staff to deliver essential services.

The sector is diverse, including organisations of many sizes and different legal structures. However, shared features include:

- A constitution or other governing document which defines the organisation's social and/or environmental purposes and ensures that the organisation is governed in an accountable and transparent way
- An 'asset lock' which ensures that revenues are used solely for the specified purposes or are re-invested in the organisation. There will also be a dissolution clause which ensures that any assets remaining upon the winding up of the organisation will be distributed to another third sector organisation with similar purposes
- Independence from the state (public sector).

## Within the third sector, the most common types of organisations are:

- **Scottish Incorporated Charitable Organisations (SCIOs):** charitable incorporated organisations formally regulated by the Office of the Scottish Charities Regulator (OSCR)
- **Unincorporated Charities:** organisations which have charitable status but are unincorporated, and therefore do not afford limited liability to their trustees
- **Charitable Companies Limited by Guarantee:** a dual structure which enabled charities to benefit from limited liability status prior to the advent of the SCIO structure in 2011. These must report annually to both OSCR and Companies House
- **Community Interest Companies:** a limited company with stated community benefits and an asset lock, formally regulated by the Office of the CIC Regulator. CICs cannot receive charitable status
- **Community Benefit Societies (BenComs) and Co-operative Societies:** incorporated industrial and provident societies (IPS) that conduct business for the benefit of their community or their members/co-owners. BenComs may apply to OSCR for charitable status. Organisations wishing to issue community shares must either be BenComs or Co-operative Societies
- **Community Amateur Sports Clubs:** community membership-based sports clubs which are not charities but benefit from many of the same tax reliefs as charitable organisations
- **Unincorporated community groups:** informal grassroots groups which may have a constitution but do not have charitable status or another formal legal structure.

## About social enterprise

Social enterprises are third sector organisations that seek financial sustainability through trading goods or services. There is no single legal structure for social enterprises. They can be Charities, Community Interest Companies, Companies Limited by Guarantee, Community Benefit Societies or Co-operatives. Social enterprise is part of the third sector more widely, and many more 'traditional' charitable bodies are exploring social enterprising activity as a way of moving onto a more financially sustainable footing. It is important to recognize that many social enterprises never reach the point of full independence from grants, and that the percentage of grant to trading income may vary over time, depending on a wide range of factors.

In Midlothian, there are currently around 70 organisations that may be defined as social enterprises according to the Voluntary Code of Practice for Social Enterprise in Scotland. <http://www.se-code.net/>

### This means:

- They are trading in the market, with the primary objective of achieving social and/or environmental benefits, and they are aspiring toward financial independence through trading
- Profits are re-invested in the business or the beneficiary community and are not distributed to private owners or shareholders
- On dissolution, their assets are redistributed to another organisation with similar aims (asset lock)
- SEs are constituted and managed in an accountable and transparent way – particularly with regard to the community they serve
- They cannot be a subsidiary of a public body.

## About volunteering

In Midlothian, there are over 2,200 people formally registered to volunteer through the Third Sector Interface (TSI). However the scale of volunteering in Midlothian is actually much wider than this, with approximately one third of the population involved in activities that are unpaid and which make an essential contribution to communities, organisations and the local economy. Without volunteer input, communities in Midlothian would look very different and many services and activities would be unsustainable in their current form. During Covid19 we witnessed an influx of additional volunteering both formally and informally in our communities.

Within the current financial environment there is real risk that volunteers may be seen as a replacement for paid staff in the provision of essential services in both the third sector and the public sector. A further consideration is that this may lead to an increase in more complex or demanding voluntary roles, when in fact there is a need for simpler and more accessible roles that can be undertaken by individuals of all ages and abilities, who may experience barriers to participation or who may be in need of a gentler or more graded introduction to volunteering.

It is essential for partners across all sectors to recognise not only the value of volunteers but also the costs associated with recruitment, training, management and support of volunteers. Volunteering should never be looked upon as a free service.

## What is the Third Sector Interface?

Third Sector Interfaces (TSIs) provide a single point of access for support and advice for the third sector within local areas. There is a TSI in each local authority area in Scotland. All TSIs receive an element of core funding from the Scottish Government but are also reliant upon income from a range of other public bodies and funders, sometimes including local authorities.

Midlothian's Third Sector Interface is made up of two organisations: Midlothian Voluntary Action (MVA) and Volunteer Midlothian. A third branch, Social Enterprise Alliance Midlothian, is an arm of MVA. MVA and Volunteer Midlothian currently receive modest levels of funding from Midlothian Council.

## Collectively, the TSI:

- Provides a comprehensive service to individuals of all ages who would like to volunteer
- Provides support and advice on volunteer management to volunteer-involving organisations
- Helps local organisations to recruit volunteers by promoting volunteering opportunities
- Promotes and supports social enterprise locally
- Provides a range of advice on funding, governance, and other support to third sector organisations
- Represents the interests of the third sector in the community planning processes
- Holds regular forums including the Voluntary Sector Forum, VSF Children and Young People's Sub-group, and the Volunteer Managers' Forum
- Delivers an annual training programme to third sector organisations, volunteers, and entrepreneurs
- Works in partnership with a wide range of agencies.

## About Midlothian Council

Midlothian Council is one of 32 unitary local authorities in Scotland. It contains six wards, each of which are represented by three democratically-elected councillors. Midlothian has been one of Scotland's smallest mainland local authority areas, but is presently the fastest-growing. The population is currently just over 91,000. Although in common with the rest of Scotland, the population is ageing, Midlothian is also experiencing significant population growth among the 0-15 years age group.

## Councils have a statutory duty to deliver a wide range of services, including:

- Education (including early years and schools)
- Communities and lifelong learning services
- Social services for adults, children and young people
- Roads and transportation
- Planning, building control and environmental protection
- Economic development
- Housing
- Leisure and library services
- Cultural services
- Waste management

Midlothian Council delivers many of these services directly, but also procures the services of private and third sector bodies, through commissioning and contracting relationships. The council also operates a grants programme for third sector organisations. The current grant programme runs between April 2019-March 2022, and will be reviewed again in advance of any new programme beginning in April 2022. The programme contains large grants, which are awarded for the three-year period, small grants which are open for applications annually, and micro grants which are open for applications twice a year.

Midlothian Council's strategic plan is the Single Midlothian Plan - a shared community planning partnership 'local outcome improvement plan' which sets out priorities for the council and its partners.

## About the Midlothian Health and Social Care Partnership

The Midlothian Health and Social Care Partnership brings together parts of Midlothian Council and NHS Lothian under an integrated joint board of Midlothian councillors and NHS board members in order to co-plan and co-deliver adult health and social care services. Its remit includes all community health and social care services for adults in Midlothian and some acute hospital-based services. Its vision is to ensure that everyone in Midlothian has the right advice, care and support; in the right place; at the right time, to lead long and healthy lives.

## Third sector relationships with Midlothian Council

Although this agreement cuts across different sectors, the compact has a particular focus on the relationship with Midlothian Council, as most contracts with the third sector are agreed through the council.

The third sector and Midlothian Council work together extensively and have a diverse and complex set of relationships at any given time. For example:

- Community Planning: third sector participation alongside the public sector across the Midlothian Community Planning Partnership
- Formal and informal co-production of policies and services, through one-to-one relationships, group forums and thematic groups
- Public sector investment in third sector services through grant funding, contracting and in-kind support (for example, by contributing facilities or professional expertise)
- Cross-sector funding bids
- Providing joint training
- Public sector agencies, specifically Midlothian Council and sections of NHS Lothian, have a role to provide development support, challenge, scrutiny, monitoring/evaluation of grants and contracts and occasionally mediation where situations of conflict arise within third sector organisations

- Third sector organisations also play a role in representing the voices of local communities, campaigning and challenging political or strategic decisions
- Midlothian Council remains a significant landlord to a number of third sector tenants.

It requires skills, knowledge, understanding and experience to be able to ensure effective working within the range of roles.

## Legislative framework

The Scottish legislative framework places a duty on the public sector to work in partnership with service users, communities and third sector organisations.

The Local Government (Scotland) Act 2003 established the legal requirement for a Community Planning Partnership in all of Scotland's 32 Local Authority Areas, with the aims of:

- Making sure people and communities are genuinely engaged in the decisions made on public services which affect them; allied to
- A commitment from organisations to work together, not apart, in providing better public services.

The Community Empowerment (Scotland) Act 2015 extended the responsibility for facilitation of community planning beyond local authorities to Police, Fire and Rescue, NHS and Scottish Enterprise and requires a list of other public bodies to act together with them through a community planning statutory board. The Act seeks to give local communities a stronger voice in the design and delivery of services, through a number of new rights. For example, it offers them greater opportunities to take ownership or control of public assets such as buildings or land. The Act also gives community groups the right to submit Participation Requests to take part in the planning, re-design and/or delivery of public services.

The Freedom of Information Act (2002) gives individuals and organisations the right to access information held about them by public authorities.

The General Data Protection Regulation (GDPR), which extends to all organisations, including the third sector and businesses, defines how personal information must be handled. GDPR has implications for the ways in which information may be shared by organisations working in partnership, and requires more formal data sharing arrangements.

Protection of Vulnerable Groups. All agencies must comply with the regulatory requirements that screen the suitability of staff and volunteers working with children and vulnerable adults whether they are in the third or public sectors.

## Economic and political factors

Since the previous version of this compact was written, the UK has endured a banking crisis, the worst economic downturn since the Great Depression and an extended period of public funding reductions. Food banks are now operating in nearly every community within Midlothian, as are other services to assist those experiencing absolute poverty. The impact of UK welfare reform has increased levels of child poverty, and reduced income to many adults with disabilities.

The June 2016 UK referendum decision to leave the European Union has created another layer of political and economic instability, while at the macro level, climate change threatens the fundamental assumptions and day-to-day realities of life across the planet.

Within Midlothian, additional pressures come from rapid population growth, due largely to commuter-belt housing development. Midlothian is growing considerably faster than any other Scottish local authority, but has not received a proportionate increase in central government funding. The pace and scale of change has put pressure on existing settled communities faced by large expansions of new residential housing, challenging communities, third and public sector partners to find ways to positively integrate and welcome people into local cultural and social life.

In common with the rest of the country, the population is also ageing, and this places increasing pressure upon health and social care services. However unlike other areas, the rapid growth in housing also means the population of children and young people is rising very rapidly, requiring investment in new schools and childcare services.

These issues create a very challenging environment for individuals and communities, and mean that public services have been forced to adapt to many rapid and difficult changes. This has never been more evident than in our joined up responses to the Covid19 pandemic where services, communities and volunteers pulled together to support those most vulnerable.

Midlothian has been a strong history demonstrating the strength of its cross-sector partnerships and relationships. There has been a robust record of good collaboration between Midlothian Council and the third sector, and this gives us an excellent foundation for future partnership and innovation.

## Midlothian Compact: Logic Model

### VALUES

<p><b>Togetherness</b> The sectors will work collaboratively as far as possible to design and deliver services for the people of Midlothian.</p>	<p><b>Respect</b> We will offer each other mutual respect and parity of esteem, valuing the knowledge, skills and capacities of all of our people.</p>	<p><b>Accountability</b> We will work with each other openly and accountably.</p>	<p><b>Creativity</b> We will seek creative approaches to both opportunities and challenges.</p>	<p><b>Kindness</b> We are committed to putting kind, socially-inclusive interactions at the heart of all our work, trusting our partners to make meaningful connections, creating space for partners to come together, addressing people's needs holistically.</p>
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Inputs	Actions	Short term outcomes (up to 1 year)	Medium term outcomes (2-3 years)
<p>Cross sector leadership and commitment to delivery of the Compact</p> <p>Staff time (Midlothian Council, Health and Social Care Partnership and Third Sector)</p> <p>Willingness to collaborate</p> <p>Infrastructure (premises and technology)</p> <p>Funding and in-kind contributions</p>	<p>Develop a communications strategy to promote the Compact among staff, volunteers, service users, community members and Elected Members</p> <p>Develop and disseminate a statement of key messages about the Third Sector, to raise awareness of the value of the sector in Midlothian</p> <p>Develop an information session for Elected Members about the Compact</p> <p>Promote codes of conduct and good governance for Elected Members, staff, volunteers and directors of Third Sector organisations</p> <p>Highlight and celebrate successes of the Third Sector and cross-sector partnerships.</p> <p>Work together to plan next round of Midlothian Council Third Sector grants and supporting good practice commissioning</p> <p>Build closer collaboration between the TSI and Midlothian Council for supporting rights under the Community Empowerment Act</p> <p>Strengthen community capacity-building services across sector boundaries through:</p> <ul style="list-style-type: none"> <li>Regular networking meet-ups between key teams from the TSI, Midlothian Council, NHS Lothian and other relevant agencies</li> <li>Joint training and collaborative planning opportunities, and supporting cross-sector participation in existing training opportunities</li> <li>Joint responses to emergency situations and winter planning</li> </ul>	<p>We make more effective use of resources, skills and knowledge to maximize the sustainability and effectiveness of services for residents and communities.</p> <p>Greater shared awareness across sector boundaries about the current opportunities and challenges for civil society and public service delivery in Midlothian. This includes greater awareness across Midlothian Council and Health and Social Care Partnership of the value of the 3rd Sector;</p> <p>Greater awareness across the 3rd Sector of how to participate effectively in public sector decision-making and resource allocation.</p> <p>Continuation of joined up approaches to emergency and winter planning</p>	<p>There are higher levels of trust and awareness across sector boundaries.</p> <p>The third sector, including board members, volunteers, service users and community members, have greater influence in shaping services.</p> <p>Local services are more responsive to changing political, economic, social, technological, legal and environmental (PESTLE) conditions affecting our communities.</p>

Inputs	Actions	Short term outcomes (up to 1 year)	Medium term outcomes (2-3 years)
	<p>Cross-sector development/training sessions for effective partnership working.</p> <p>Explore opportunities for sharing resources, skills, processes and facilities across sector boundaries (buildings, IT, knowledge...)</p> <p>Develop Joint Participation Strategy for Midlothian (CPP), promoting community leadership, activism and organization in response to local needs.</p> <p>Sharing/dissemination of data and evidence about issues, needs, and outcomes affecting Midlothian.</p> <p>Trial multi-disciplinary rapid approaches to creative problem-solving around complex issues</p> <p>Establish joint creative ideas forums</p> <p>Explore opportunities for third sector to be involved in core decision-making processes – co-planning, co-design, as well as revised approaches to Participatory Budgeting</p> <p>Explore opportunities for establishing local citizens' assemblies involving local volunteers</p> <p>Support place based locality approaches</p> <p>Creating new networks and opportunities to bring community members, third sector and public sector together to address climate change</p>		

## Impact evaluation

We will utilise a range of evaluation tools to measure the outcomes of the compact. These will include:

- Evaluation of specific cross-sector events and training activities
- Surveys of staff and volunteers across both sectors
- Case studies of good practice and impact
- Tracking the added value of working together through the top 4 indicators, including: collective impact of joint working, finances attracted, efficiencies created and outcomes improved.