



## Commitment to Partnership Working in Portsmouth

The Portsmouth Compact outlines how the relationship between local statutory sector and the voluntary, community and social enterprise sector can work more effectively to strengthen communities and improve people's lives. While there are many differences between the statutory and voluntary sectors, which must be acknowledged and respected, the sectors have much in common.

In particular, the statutory sector and the voluntary, community and social enterprise sector share a common set of principles, which are at the heart of what they are both trying to achieve. The Compact articulates these shared principles into a way of working together in effective partnerships to sustain the legacy of voluntary, community and social enterprise groups in Portsmouth.

These principles have been created to help the local statutory sector and voluntary, community and social enterprise organisations build relationships and work together effectively in partnership. These principles make it clear that the Portsmouth Compact is not a set of rules, but a way of working that can help deliver real outcomes and improvements for people and communities. The Portsmouth Compact puts these shared principles into practice. This is a Compact designed to work for the City. The implementation of the Compact principles will be monitored by elected representatives within the City.

### Shared principles for working together:

**Respect:** Statutory and voluntary, community and social enterprise organisations are accountable in different ways, but all need to act with transparency and integrity. Effective partnerships are built on mutual understanding and an appreciation of the difference between partners of the Compact.

**Honesty:** It is only through open communication that strong partnership can be built and maintained. Full and frank discussions should be the basis for resolving difficulties.

**Diversity:** The statutory sector and the voluntary, community and social enterprise sector value a thriving civil society, which brings innovation and choice through a multitude of voices.

**Planning:** There needs to be an organised way forward in which to ensure the statutory

and the voluntary, community and social enterprise sectors can play a full part. This needs to take into account the risks, liabilities and ways that all parties are accountable and operate within the law.

**Equality:** Fairness for everyone, regardless of their background, is a fundamental goal and the statutory and voluntary, community and social enterprise sectors will work together to achieve this.

**Civic Empowerment:** By working together, the statutory and voluntary, community and social enterprise sectors can deliver change that is built around communities and people, meeting their needs and reflecting choices.

**Volunteering:** The energy and commitment of people giving their time for the public good contributes to a vibrant society, and should be recognised and appreciated.

# The Portsmouth Compact Commitments

## **INVOLVEMENT IN POLICY DEVELOPMENT**

Organisations across the City have expertise in many areas, often because they work directly with people and groups on the ground. This allows them to understand the needs of their beneficiaries and provide new and effective answers to problems. Involving and consulting the voluntary, community and social enterprise sector can help statutory authorities develop policies that meet the needs of people and communities.

By working together the sectors can support the development of both policy and the commissioning process. This includes a range of methods – from informal engagement to full-scale public consultation.

### **Commitments for statutory sector**

#### **1. When to involve**

Involving the voluntary, community and social enterprise sector in policy development at the earliest stage possible will allow the statutory sector to get the most out of the process. This will lead to more effective policies and programmes being developed.

#### **Statutory sector endeavours to:**

- 1.1 Involve the voluntary, community and social enterprise sector from the earliest stages of policy development, on all relevant issues likely to affect it.
- 1.2 This can include empowering voluntary, community and social enterprise organisations to start discussions within affected communities themselves.
- 1.3 Inform the sector of progress in developing policy.
- 1.4 Identify and be aware of implications for the voluntary, community and social enterprise sector when assessing the impact of new policies, legislation and guidance.

#### **2. Who to involve?**

Spending time and resources helping voluntary, community and social enterprise organisations makes their voices heard and helps ensure that their knowledge can contribute to policy development.

#### **Statutory sector endeavours to:**

- 2.1 Support the development of voluntary, community and social enterprise sector infrastructure. Infrastructure bodies enable voluntary, community and social enterprise organisations to help people and communities effectively, through services such as capacity building, representation and other forms of support.
- 2.2 Identify and remove barriers, such as language barriers and unnecessary bureaucracy, which may prevent voluntary, community and social enterprise organisations from contributing to policy development.
- 2.3 Encourage and facilitate responses from the full range of voluntary, community and social enterprise organisations that are likely to have a view.
- 2.4 Identify and acknowledge where there are costs to voluntary, community and social enterprise sector organisations as a result of partnership work with the statutory sector and offer support where possible. This can be especially important for infrastructure bodies that are helping to organise or run consultations.

#### **3. How to involve?**

Voluntary, community and social enterprise organisations can provide stronger and better-informed responses if the consultation methods used are suited to the purpose and audience, and if enough time is given for people to respond. Either formal or informal consultation methods may be appropriate depending on the circumstances and on the type and size of organisations.

## **Statutory sector endeavours to:**

- 3.1 Avoid compromising or undermining the independence of voluntary, community and social enterprise organisations (whatever financial or other relationship exists between them).
- 3.2 Give as much notice as possible of forthcoming consultations so that organisations can plan ahead.
- 3.3 Publicise consultation exercises widely and make sure they are accessible to the people they are intended to reach.
- 3.4 Use a variety of different consultation methods and explain the reasons for selecting them.
- 3.5 Clarify which matters are open to change as a result of the consultation and which are not. Provide feedback to explain how respondents have influenced policy decisions, including where respondents' views have not been acted upon.
- 3.6 Allow enough time for voluntary, community and social enterprise organisations to involve people who use their services, beneficiaries, members, volunteers and trustees in preparing responses.
- 3.7 Conduct written consultations, within proportional and reasonable timeframes.

## **Commitments for the voluntary, community and social enterprise sector**

### **4. Effective Involvement**

When the voluntary, community and social enterprise sector engages actively in policy development, it helps build the statutory sector's trust in the sector, establishing valuable links between the two sectors and encouraging the statutory sector to commit

actively to listening to the views of the voluntary, community and social enterprise sectors.

## **Voluntary, community and social enterprise sector endeavours to:**

- 4.1 Involve people using their services, beneficiaries, members, volunteers and trustees when preparing responses to consultations.
- 4.2 Give feedback to everyone involved in responding to the consultation, on what response will be presented to the statutory sector and what the outcomes are.
- 4.3 Be clear about whose views are being represented and what those views are. This includes explaining whether views have been gathered directly (and from which stakeholders), or whether the response is based on the organisation's own knowledge and experience of the issues.
- 4.4 Make sure all research and information that is presented to the statutory sector is accurate and credible. Explain where the information comes from and if there is conflicting evidence.
- 4.5 Be aware of the consulting organisation's obligations under the Freedom of Information Act 2000. Where appropriate, respect the confidentiality of information that has been supplied by the statutory sector for the consultation.
- 4.6 Promote statutory sector consultations across the voluntary, community and social enterprise sector, where appropriate.
- 4.7 Understand that, with justification, short-time frame consultations may need to take place.

## **ALLOCATING RESOURCES**

Organisations working across the City are in a good position to understand what people want and how their needs can be met. By working together and co-designing programmes, government and voluntary, community and social enterprise organisations can deliver policies and programmes that are built around communities and individuals, meeting their needs and reflecting their choices.

(This section reflects good practice in commissioning, and is relevant to the entire commissioning cycle. For more information and resources information about good practice in commissioning please go to the [Compact Voice website](#).)

### **Commitments for statutory sector**

#### **5. Planning**

Involving voluntary, community and social enterprise organisations in designing new programmes and services, and focussing on results, can help the statutory sector provide the right resources, identify risks and solutions, and achieve better outcomes. When carried out appropriately, this does not affect competitive neutrality.

#### **Statutory sector endeavours to:**

- 5.1 Plan new programmes and services with a focus on outcomes, providing scope for innovation wherever possible.
- 5.2 Work with voluntary, community and social enterprise organisations to understand public service reform.
- 5.3 Begin planning programmes and services well in advance of the expected start date, based on open consultation. Ensure that those voluntary, community and social enterprise organisations that are likely to have a view on the

programme or service are involved from the beginning.

#### **6. Choosing finance and funding options**

Choosing the most appropriate funding mechanism will help to secure the most appropriate organisation to deliver the outcomes.

#### **Statutory sector endeavours to:**

- 6.1 Consider different ways of funding organisations. Methods include grants, procurement, loan finance, training, and use of premises or other support. Ensure that the size and scale of the funding arrangement reflects the project's objectives and attracts those organisations best placed to deliver the required outcomes.
- 6.2 Apply the Compact when distributing European funding. Where conflicts arise with European regulations, discuss the potential effects and possible solutions with the voluntary, community and social enterprise organisations.

#### **7. Application and bidding processes**

A well-managed application process that is proportionate to the desired objectives will encourage a diverse range of organisations to apply, helping to ensure that the most appropriate organisation is found for the role.

#### **Statutory sector endeavours to:**

- 7.1 Ensure that application documents are:
  - Publicised widely when appropriate.
  - Proportionate to the nature of the risk and amount of funding being allocated.

- Contain enough information to allow organisations to make informed decisions.

7.2 When appropriate consider the use of direct awards.

7.3 Allow enough time for organisations of all sizes to apply, as well as for consortia and partnership working bids.

7.4 Be clear about how bids will be assessed.

7.5 Make decisions on the basis of best value. This may include taking into account the wider community benefits at the award stage or when identifying procurement needs.

7.6 The statutory sector will take into account the [Social Value Act](#) when carrying out the commissioning cycle.

## 8. Understanding costs

Funding bodies have an interest in ensuring that organisations can manage and administer their activities effectively. Quality support functions are vital to achieving this.

### Statutory sector endeavours to:

- 8.1 Recognise that it is appropriate to include reasonable relevant overhead and administrative costs in applications.
- 8.2 Accept the recovery of reasonable costs associated with volunteering, such as managing volunteers and reimbursing expenses.
- 8.3 Be consistent across sectors when requesting cost breakdowns from organisations, bearing in mind the need to be proportionate.

## 9. Making Decisions

Award criteria should be designed to allow the funder to select the provider that is best placed to achieve best value for money, not necessarily in terms of lowest cost, but quality of service and additional value.

## Statutory sector endeavours to:

- 9.1 Where possible work towards funding for three years or more. If this is not the best way to deliver best value, the statutory sector should explain clearly why alternative funding arrangements will deliver a better outcome.
- 9.2 Make funding decisions and inform organisations at least three months in advance of the expected start date. Any departure from that time-scale should be justified and explained.
- 9.3 Provide constructive feedback to unsuccessful organisations.

## 10. Agreeing the delivery terms

Agreeing terms in advance ensures a clear and shared understanding of respective responsibilities and allows the organisations involved to focus on delivery.

### Statutory sector endeavours to:

- 10.1 Discuss the risks of the project and agree delivery terms. Allocate risks to the organisation(s) best equipped to manage them. Ensure that delivery terms and risks are proportionate to the nature and value of opportunity.
- 10.2 Agree a process for managing quality and performance.
- 10.3 Agree any change in circumstances or variation before signing a financial agreement.
- 10.4 For grants, agree how any under-spend will be managed.

## 11. Making Payments

Payment terms which suit the type of service and the organisation involved will increase the likelihood of the desired outcomes being achieved.

## **Statutory sector endeavours to:**

- 11.1 Make payments in advance of expenditure where there is a clear need and where there is a financial business case to do so. This may be particularly relevant for grants.
- 11.2 Make payments automatically via BACS and/or cheque promptly.

## **12. Monitoring and reporting**

Appropriate monitoring reduces costs, time and resources for both parties, and means that time and effort can be focussed on delivering results.

## **Statutory sector endeavours to:**

- 12.1 Discuss and agree how outcomes will be monitored before a contract or funding agreement is signed.
- 12.2 Be clear about what information is being requested, why, and how it will be used.
- 12.3 Ensure that monitoring and reporting is proportionate to the nature and value of the opportunity. Focus on evidence that is meaningful to the beneficiaries of organisations, as well as to funders.
- 12.4 Consider how service users and other stakeholders can be involved by getting their perspective of performance.
- 12.5 Aim to standardise monitoring and reporting arrangements.
- 12.6 If a project is encountering problems, discuss and agree a timetable of actions to improve performance before making a decision to end a financial relationship.

## **13. Concluding a financial relationship**

It is important to plan ahead for the end of funding, in order to reduce its negative impact on the people involved, the stability of the voluntary, community or social enterprise organisation and future partnerships.

## **Statutory sector endeavours to:**

- 13.1 Assess the impact on beneficiaries, service users and volunteers before deciding to reduce or end funding.
- 13.2 Where there are restrictions on future resources, discuss the potential implications as early as possible with voluntary, community and social enterprise organisations.
- 13.3 Give a minimum of three months' notice in writing when ending a funding relationship or other support and provide a clear rationale for why the decision has been taken.
- 13.4 Give organisations an opportunity to respond to the end of funding and consider the response before making a final decision.
- 13.5 Review programmes and services with relevant voluntary, community and social enterprise organisations to inform future practices.

## **Commitments for the voluntary, community and social enterprise sector**

### **14. Contribution to planning**

When voluntary, community and social enterprise organisations contribute to the planning and design of programmes and services, it helps ensure that they reflect the need of beneficiaries.

## **Voluntary, community and social enterprise sector endeavours to:**

- 14.1 Involve people who use services, beneficiaries, members, volunteers and trustees when designing or reviewing programmes and services.
- 14.2 Provide feedback to contributors on information that is presented to the statutory sector and what the outcomes are.
- 14.3 Be clear about whom they are representing, in what capacity, and on what basis they are making the representation.

## **15. Making applications and bids**

Organisations should ensure that they are eligible to apply for funding and should check the objectives of the funding programme or service are in line with the organisation's mission before applying.

## **Voluntary, community and social enterprise sector endeavours to:**

- 15.1 Be clear on their reasons for bidding or applying to deliver programmes or services
- 15.2 Show that they understand how new funding will impact on their organisation, relate to its mission, and contribute to its income mix
- 15.3 Ensure they have a robust and clear understanding of the relevant overheads and associated costs to include when applying for resources.
- 15.4 Be clear which organisation is the accountable body in a partnership or consortia working arrangement.
- 15.5 Apply Compact principles when sub-contracting to other voluntary, community and social enterprise organisations.

## **16. Agreeing delivery terms**

Delivery and payment terms should be proportionate, in order to ensure that the project can run smoothly and focus on maximising the **outcomes** for beneficiaries.

## **Voluntary, community and social enterprise sector endeavours to:**

- 16.1 Be clear about the risks associated with delivering programmes and services, and agree delivery terms before a contract or funding agreement is signed.
- 16.2 Have appropriate governance arrangements in place and ensure that everyone involved understands and agrees delivery terms.
- 16.3 Be clear about payment terms and, if appropriate, demonstrate why payment in advance is required.
- 16.4 Recognise that it is legitimate for funders to ask for public recognition of their funding.
- 16.5 Have appropriate systems in place to manage and account for finances.

## **17. Monitoring and reporting**

Managing funding effectively requires good monitoring. It promotes better working relationships with funders and ensures that performance is managed properly.

## **Voluntary, community and social enterprise sector endeavours to:**

- 17.1 Understand the monitoring and reporting requirements before a financial agreement is made.
- 17.2 Recognise that monitoring, both internally and externally, is an element of good management practice.
- 17.3 Ensure that systems are in place to deliver the reporting required.

- 17.4 Give early notice to funders of significant changes in management or financial or other risks.
- 17.5 Be open and transparent in reporting.
- 17.6 Demonstrate a culture of learning from feedback to help improve services.

## **18. When a financial relationship ends**

Contingency planning for the end of a contract or grant helps minimise the impact on beneficiaries. Planning in this way can help with long term sustainability.

### **Voluntary, community and social enterprise sector endeavours to:**

- 18.1 Plan for the end of funding to reduce any potential impact on beneficiaries and the organisation.
- 18.2 Contribute positively to reviews of programmes or services to inform future practice.

## **ADVANCING EQUALITY**

### **Working together for equality**

Equality for everyone, regardless of their background, is a core value of our society, shared by the statutory and voluntary, community and social enterprise sectors. Over the last four decades, discrimination legislation and related policy have played an important role in helping to make Britain a more equal society. As both society itself and equality legislation continue to evolve, it is crucial that the statutory and voluntary, community and social enterprise sectors work well together to achieve equality and fairness for everyone.

This section of the Compact recognises the vital role that the voluntary, community and social enterprise sector plays in helping to create a more equal society and sets out commitments that will help both sectors achieve their equality goals.

The law protects people from discrimination on a number of different characteristics, including race, gender, age, sexual orientation, religion or belief, disability and gender reassignment. These are referred to in this document as ‘protected characteristics’. The histories and issues facing people who share these characteristics are complex and often unique. This diversity should be understood and respected.

### **The role of the voluntary, community and social enterprise sector in promoting equality**

In order to work towards its equality objectives, the statutory sector values the insight and knowledge of the voluntary, community and social enterprise organisations working at the front line with people who have protected characteristics. These groups have unique experiences and different issues around access to services and involvement in civil society, which should be taken into account in policy making.

Whether or not voluntary, community and social enterprise sector organisations focus their activities on people with a protected characteristic; they can provide a vital role in delivering programmes and services. They also promote community cohesion by giving people the tailored support they need to play a full part in the community.

A good working relationship between the voluntary, community and social enterprise sector and the statutory sector will help to meet the needs of the people they serve or represent and reduce inequality.

The Compact plays a key role in helping this relationship to work, not just through the commitments within this section, but by ensuring that organisations which promote equality are allocated sufficient resources and benefit from effective and relevant policy development, as set out in the other sections of the Compact.

### **Commitments for the statutory sector**

## **19. Promoting equality and diversity**



Promoting equality and diversity is a shared goal of the statutory and voluntary, community and social enterprise sectors.

### **Statutory sector endeavours to:**

- 19.1 Work with the voluntary, community and social enterprise sector towards eliminating unlawful discrimination and promoting equality of opportunity. Put strategies in place to help achieve these aims in line with existing public duties.
- 19.2 Where appropriate, work with organisations in the voluntary, community and social enterprise sector that represent people with protected characteristics, to understand their specific needs and design appropriate services.
- 19.3 Ensure that all voluntary, community and social enterprise organisations, including those that serve people with protected characteristics, have equal opportunities to access statutory funding programmes. This includes access to funds to build capacity, and to prepare and deliver projects.
- 19.4 Be clear about any actions on equality that voluntary, community and social enterprise organisations will be expected to undertake if they are funded to deliver programmes.
- 19.5 If a strategic grant is withdrawn from an organisation serving people with a specified protected characteristic, assess the need to reallocate the grant to another organisation serving the same group.
- 19.6 Work with the voluntary, community and social enterprise sector to identify and remove and

barriers that prevents volunteering by people with protected characteristics.

- 19.7 Continue to ensure that it is free for volunteers to access Disclosure & Barring Service (DBS) Checks.

## **20. Representation and infrastructure**

Both central and local government already support voluntary, community and social enterprise organisations that give a voice to diverse groups. The statutory sector can take some simple steps to improve the effectiveness of engaging these organisations.

### **Statutory sector endeavours to:**

- 20.1 acknowledge that funding for organisations that serve people with only one protected characteristic can promote cohesion
- 20.2 Enable infrastructure organisations representing people with protected characteristics to participate in policy development, consultation or other activities, by supporting them appropriately.
- 20.3 Recognise that groups which involve people with protected characteristics at community level may be small or informal, and engage with these groups in a way that suits their working methods.

## **Commitments for the voluntary, community and social enterprise sector**

### **21. Promoting equality and diversity**

An important way in which the voluntary, community and social enterprise sector can promote equality effectively is by working with the statutory sector on equality issues.

## **Voluntary, community and social enterprise sector endeavours to:**

- 21.1 Take practical action in partnership with the statutory sector to eliminate discrimination, advance equality of opportunity and build community links.
- 21.2 Show committed leadership to promote equality, and where necessary, put strategies in place to achieve it.

## **22. Representation and infrastructure**

Voluntary, community and social enterprise organisations are ideally placed to represent the views of people with protected characteristics. However, it is important that these organisations carry out this role effectively and transparently, and that their activities serve all relevant groups.

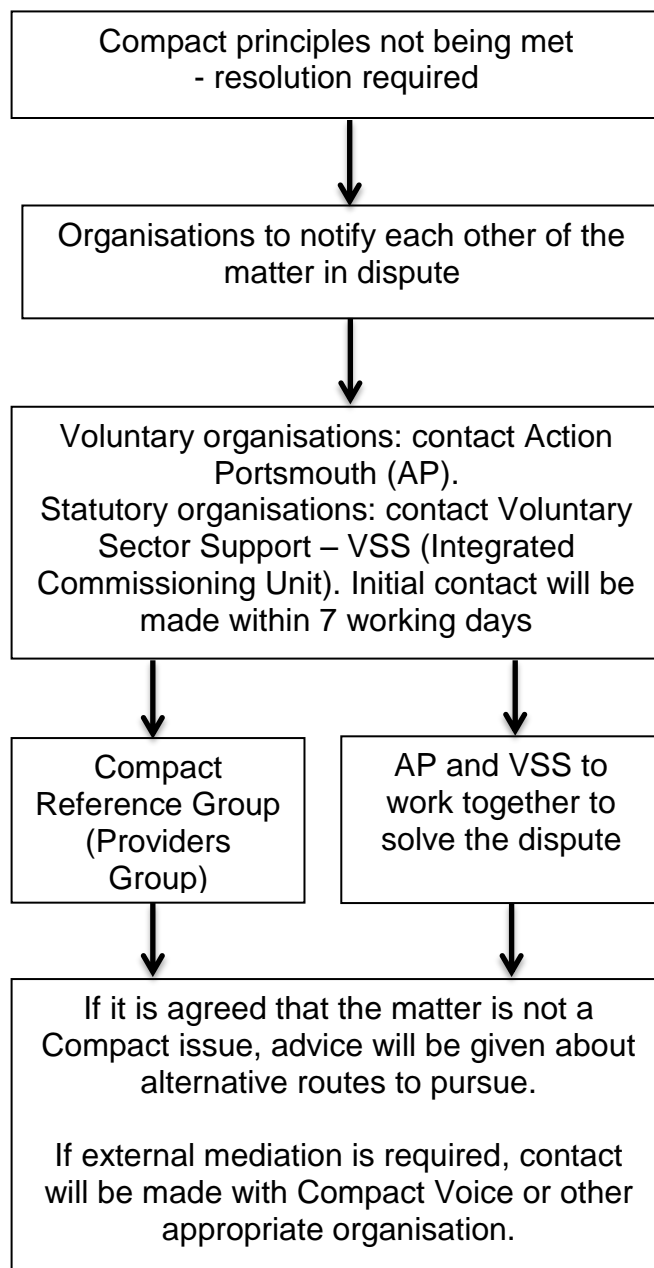
## **Voluntary, community and social enterprise sector endeavours to:**

- 22.1 Be clear on who is being represented and how their views have been gathered.
- 22.2 When selecting representatives from organisations and communities, be clear who they represent and with what legitimacy.
- 22.3 Where appropriate, support infrastructure organisations that can promote the interests of people with protected characteristics.
- 22.4 Identify groups that are in danger of being marginalised, excluded or are currently under-represented in voluntary activity, and put in place measures to promote their involvement.

## DISPUTE RESOLUTION

The Dispute Resolution Process has been put in place for Compact Partners to utilise when a dispute arises out of, or in connection with, Compact principles not being met. The parties shall promptly notify each other of the matter in dispute. It should then be referred to either Action Portsmouth or the Integrated Commissioning Unit (Voluntary Sector Support) at Portsmouth City Council (who will liaise with other statutory partners if appropriate), who shall use all reasonable skill, care and diligence to ensure that they receive the views of all parties and consider all solutions proposed, with the objective of resolving the dispute and achieving an agreed solution.

If a solution is not found, it may be appropriate to seek external mediation with bodies including Compact Voice, the Charity Commission or Corporate Complaints. The Dispute Resolution Process should be used for current suspected breaches of Compact principles that have occurred within the previous three months.



## **Compact Champions**

**The multi-agency Compact working group will take responsibility for leading on the implementation of the Portsmouth Compact including developing Compact champions. Compact champions will actively promote and monitor Compact application and should be appointed in organisations and service teams.**

### **Voluntary sector liaison lead:**

#### **Action Portsmouth**

Cathedral Innovation Centre

St Thomas's Street

Old Portsmouth

PO1 2HA

Tel 023 9282 2795

E-mail: [hollie.rapp@actionhants.org.uk](mailto:hollie.rapp@actionhants.org.uk)

Website: [www.actionhants.org](http://www.actionhants.org)

### **Statutory sector liaison lead:**

#### **Voluntary Sector Support**

**Portsmouth City Council**

**Integrated Commissioning Unit**

Great Western House (Floor 2)

34 Isambard Brunel Road

Portsmouth

PO1 2RJ

Tel: 023 9283 4169

E-mail: [voluntary.sector@portsmouthcc.gov.uk](mailto:voluntary.sector@portsmouthcc.gov.uk)

### **National Compact contact details:**

#### **Compact Voice**

Regent's Wharf

8 Saints Street

London

N1 9RL

Tel: 020 7520 2451

E-mail: [compact@compactvoice.org.uk](mailto:compact@compactvoice.org.uk)

Web: [www.compactvoice.org.uk](http://www.compactvoice.org.uk)

### **The Portsmouth Compact**

**June 2014**

*The text is available in large print and other formats, on request.*

## Useful Definitions

### **Definitions and Structures in the Voluntary Sector:**

There are many terms which are used in the voluntary sector, or relate to different parts of it. Some of them tend to overlap and some are difficult to define concisely. Here is a quick guide to those most commonly used:

The **voluntary sector** - this is an inclusive term for both charities and charitable organisations (not registered as charities), which undertake work of benefit to society. Many voluntary organisations employ staff to undertake a wide range of activities and many are of the size and stature of successful medium-sized businesses, although operating independently for the public good without profit distributing.

The **charity sector** - organisations must meet the strict conditions required for charity registration. Therefore, not all voluntary organisations are charities.

The **community sector** - this is used to include smaller more informal organisations and self-help initiatives at community level.

The **non-profit sector** or **not-for-profit sector** - refers to organisations which use surpluses for the benefit of the beneficiaries through direct grant or investment rather than providing managers or committee members with income. Many organisations do make profits on some of their activities but reinvest these into other community-led work and projects.

The **third sector** - as in 'third', alongside the statutory and private sectors. The third sector would include all of the above.

The **social enterprise sector** - this is a term that is being used more frequently and there are many aspects which link a social enterprise with a charity or a social entrepreneur with a successful voluntary sector leader. The main difference lies in the source of funding and the ability of social enterprises to generate income directly from their activities which have a social purpose, whereas charities usually need some financial support from charitable donations and grants. As with many definitions there can be substantial blurring.

### **Structures:**

Different types of organisations within the sector have to be set up with the appropriate legal structure. There are several types of structure available; here is a quick guide to the most common:

**Unincorporated associations:** this is a group of people who come together with a common interest or purpose, and will undertake work for the benefit of the public. They are governed by a constitution and managed by a management committee. They are not recognised in law as a legal entity; therefore the liability of members and the governing body is unlimited.

**Incorporated associations:** this is when the organisation is a company and is recognised in law as a legal entity. The most popular form of a company is a 'company limited by guarantee'. A company is managed by directors and is regulated by Companies House. It can be charitable or non-charitable (if charitable, it will also be regulated by the Charity Commission.) The liability of the governing body is limited, e.g. they are liable for an agreed sum (usually. £1) if the organisation has to wind up.

**Charitable Company:** this is a limited company with charitable aims. It is an incorporated organisation which means that it has a legal identity separate from its members. In law, a limited company is considered to be a person and it can therefore own land or enter into contracts. The directors are agents of the company and are not personally liable for its debts.

**Community Interest Companies (CICs):** a CIC is a limited company with special features to ensure that it works for the benefit of the community. It differs from a charitable company in that it can be established for any legal purpose which benefits the community, whereas a charity must have exclusively charitable purposes. A further advantage is that a CIC is subject to lighter regulation than a charitable company. A CIC may not be eligible for funding which is available to a charity. CICs commit their assets and profits permanently to the community by means of an 'asset lock', ensuring that assets cannot be distributed to shareholders. They report to the Regulator of Community Interest Companies. A CIC can not be a registered charity – they will not have the benefits of charitable status, even if their objects are entirely charitable in nature. They have to register at Companies House and with the Regulator of CICs.

**Charitable Incorporated Organisation (CIOs):** this new form of charitable organisation gives a charity the main advantages of a Charitable Company – a legal personality and limited liability – but it is registered and regulated solely by the Charity Commission. Annual accounts can be kept on a 'receipts and payments' basis (for CIOs with an annual income below £250,000), making them simpler and cheaper than the accruals accounts required of a Charitable Company.

There are many sources of information available regarding voluntary sector legal structures and definitions and terminology. For further information about structures and companies, you can visit the Charity Commission website: [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk) or the Companies House website: [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

### **Statutory / Public Sector Definition:**

The statutory sector, often referred to as the public sector, is that part of the economy whose primary concern is to provide the basic government services. In most countries around the world, the public sector consists of services like the military, police, public transport, roads, education, and healthcare services. It has the responsibility to provide services which will benefit all.

### **Types of Statutory / Public Sector Bodies:**

Local Authorities (e.g. Portsmouth City Council - PCC)  
Clinical Commissioning Group  
Local Health Services  
Emergency Services (Police, Fire and Rescue, Ambulance)  
Military (e.g. Royal Navy)  
Public Transport (e.g. First Group)  
Universities / Colleges (HE & FE)

It is recommended that all of the organisations above should be working towards The National Compact and where applicable, register their commitment to The Portsmouth Compact. Where PCC is unable to act as the dispute resolution body for the whole of the statutory sector; we would invite partners to indicate their preferred route of resolution upon sign up to The Portsmouth Compact.