

A new partnership

Building a Covenant for
Civil Society and Government



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VOLUNTARY
ACTION

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This report sets out NCVO and ACEVO's findings from the Civil Society Covenant engagement exercise we conducted in 2024, working closely with the Department for Culture Media and Sport (DCMS), as well as our view on the steps needed to ensure the Covenant is effective.

The research and facilitation support provided by **Culture Studio** was invaluable during the engagement period.

We would like to recognise the time, effort and goodwill from colleagues at DCMS and No. 10 to engage civil society. Since January, ACEVO and NCVO have been members of an advisory group of civil society representatives convened by DCMS to inform the development of the Covenant. We expect the Covenant to be published by DCMS this Summer.

Executive summary

Introduction

The relationship with government at a national and local level is essential for civil society organisations to deliver their mission, whether they are delivering services, building strong communities, or advocating for the people or causes they support. Civil society organisations of all types and sizes are impacted by the decisions government bodies make about the operating environment, whether they are directly engaging with government or not.

The relationship between government and civil society has come under strain in recent years, and has not been sufficiently supported or invested in. The Civil Society Covenant is intended to be a reciprocal principles-based agreement to reset the relationship between civil society and government. It will act as a supportive framework for our relationship with government, so we can offer partnership and challenge for the benefit of the public.

This report sets out our findings from the engagement exercise NCVO and ACEVO ran in collaboration with DCMS in 2024 to understand civil society's experiences and to test high-level principles to inform the development of the Covenant, which is due to be published this Summer. We also set out the steps the Government should take to further develop and implement the Covenant, with a role for civil society infrastructure bodies to support civil society.

Findings

Several findings emerged from our thematic analysis of the data gathered during the engagement period.

- Civil society organisations experience barriers to working with government including bureaucratic processes, lack of understanding of civil society, and lack of trust.
- There are several factors that can support effective working relationships including open and honest communication, understanding of civil society, long term funding and investment in working relationships.
- Civil society organisations have a significant role to play to innovate in partnership with government, but they need the right conditions to develop and test new solutions.
- Civil society organisations often feel disempowered in their relationships with government and lack capacity, yet there are some actions civil society can take to improve the relationship with government.
- While the engagement exercise highlighted patterns and trends, civil society organisations have different experiences of working with local and central government.
- There is broad support for the draft principles, and civil society want to see them expanded to include specific actions.

- Accountability mechanisms and ongoing implementation plans are needed to embed the Covenant into ways of working across government.

Next steps

The following steps are needed to ensure the Covenant makes a positive and lasting difference to the relationship between government and civil society.

1. Direction

- Set clear, practical commitments for both government and civil society.
- Protect civil society's right to campaign and address barriers such as burdensome funding processes and lack of consultation.
- Uphold and exceed standards set by the previous Compact.
- Acknowledge civil society's role in:
 - Respecting confidentiality.
 - Coordinating communications on campaigning.
 - Ensuring diverse representation.
 - Sharing data and involving service users.

2. Responsibility

- Appoint Ministerial and senior civil service leads for civil society in each department.
- Embed commitments in the Ministerial Code and use the Culture, Media and Sport Select Committee for oversight.
- Establish a joint oversight panel of civil society and government.
- Require reporting and engagement action plans from public bodies.

- Strengthen local partnerships by:
 - Resourcing local partnerships.
 - Appointing local accountable officers.
 - Using existing forums to support implementation.
 - Embedding civil society engagement in local and combined authority devolution frameworks.

3. Conditions

- Amend legislation and standards that inhibit advocacy (e.g. Lobbying Act Part 2, grant standards, guidance relating to 'gagging clauses' in contracts).
- Commit to fair, flexible funding arrangements.
- Improve policy impact assessments and develop a civil society strategy to ensure supportive conditions for civil society.

4. Support

- Develop communities of practice for civil society and government leaders.
- Provide training, guidance, and codes of practice to support implementation.
- Facilitate joint away days, secondments, and shadowing schemes.
- Embed understanding of civil society in government training and leadership programmes.
- Support from infrastructure bodies to assist civil society.

5. Mechanisms

- Link the Covenant to the Government's missions, with civil society representation and 'sub-covenants'.
- Ensure the Covenant is connected to the Partnerships Unit in No. 10 and create a 'front door' for civil society in government.
- Establish regular fiscal engagement and a Treasury unit focused on civil society.
- Ensure organisational design supports engagement, including in job roles and policy processes.

6. Review

- Conduct an annual review of stakeholder experiences.
- Establish a real-time issue reporting mechanism.
- Conduct a formal consultation on the Covenant to ensure continuous improvement.

There is a role for infrastructure bodies like NCVO and ACEVO to review the experiences of civil society, improve understanding of civil society, and offer support to our members.

Conclusion

We hope the Covenant will be the start of a renewed and stronger relationship with government to ensure civil society can be a strategic partner and hold government to account. This stronger relationship must be able to withstand both agreement and disagreement so that people can be heard by those in power, we build trust in our institutions and the best ideas to benefit the public can rise to the top. During times of immense pressure, which both civil society and government are currently facing, partnership working and challenge is both more difficult and more necessary.

The feedback from civil society in 2024 highlighted that barriers to engaging with government are entrenched and significant, yet there is goodwill from individuals. Significant policy, cultural and organisational change will be needed to change the norms that have become the accepted way of working.

We are committed to working with the Government and our members to embed stronger partnership working with civil society, based on mutual respect, trust and understanding.

Introduction

The relationship between civil society organisations and government at a national and local level is vital and multifaceted.

Civil society encompasses a range of organisations. While the voluntary sector is at the heart of civil society, there are other organisations that are included within that definition, including cooperatives. Some civil society organisations deliver services, whereas others build strong communities and engage volunteers. Others offer essential insight and challenge to inform policy making and service design, whether that is through campaigning, engaging in the policy cycle, or using mechanisms such as judicial review. Many carry out several of these functions at the same time. Civil society organisations of all types and sizes are impacted by the decisions government bodies make about the operating environment.

In our **voluntary sector manifesto**, ACEVO and NCVO called for a new agreement to reset the relationship between civil society and government at all levels. While we recognised many bright sparks of collaboration, not least during the pandemic, we could not ignore the significant challenges faced by our members.

Examples include:

- A small local community organisation reluctant to criticise the council for fear their funding will be withdrawn or they would be excluded from decision making.
- A large charity caught up in 'culture wars', with their right to advocate for their beneficiaries being fundamentally questioned by politicians.
- A trustee board grappling with rules and regulations that create barriers because they have been an afterthought in government decision making.
- A social enterprise struggling to deliver public services because of short term, insufficient funding or lack of strategic engagement in service design.

We have seen individuals across civil society and government respect each other's expertise and work in collaboration, but they are often swimming against the tide to do so due to lack of supportive policy-making, leadership and investment.

The Covenant could be seen as the successor to the Compact, an agreement, initially developed by the Labour government in 1998, to set a foundation for partnership between government and civil society. It was last refreshed under the coalition government, and since then there has been little investment to support a strong and effective relationship. Since 2010, there have been policy changes that have made it much harder for us to deliver in partnership and hold government to account. We are also now facing significant collective challenges, such as pressure on finances, rising inequality and division within communities. We need a new framework with broad support to strengthen our relationship that is fit for our current context, and the future.

The **Covenant** is intended to be a reciprocal principles-based agreement to guide and support a stronger relationship between government and civil society. Given the significant pressures currently faced by both civil society and government, there is a risk that barriers to partnership and campaigning become even more entrenched. To prevent this, the Covenant needs to mark a bold step-change. Significant policy, cultural and organisational change will be needed to reset the relationship between government and civil society, giving leaders both support and direction.



Findings

Throughout the engagement period we asked leaders, staff and volunteers (described throughout as participants) across civil society organisations to tell us about their experiences of engaging with public bodies, including barriers and enablers, and what supports innovation.

At least half of the survey participants reported their organisation holding a relationship with local government, with a lower proportion engaging with central government. We also asked civil society for feedback on four draft Covenant principles, and their view on how to ensure the Covenant is effective. This section sets out the findings from this engagement exercise.

Barriers facing civil society organisations

Civil society organisations experience barriers to working with government including bureaucratic ways of operating, poor understanding of civil society, and lack of trust.

Civil society participants described ways of working in government as opaque, slow, siloed, bureaucratic, and rigid. They also find it difficult to find the right officials to engage with in the right departments. This is exacerbated by staff turnover within government.

Funding arrangements are often short term, competitive, and one size-fits all. This prevents organisations from

responding flexibly to the needs of communities, or measuring the indicators that would best support service improvement. The outsourcing of public services has created a “one dimensional relationship” where civil society organisations are viewed as a supplier rather than a partner.

“..the ‘blanket’ approach to managing and monitoring commissions and contracts means that we are constantly trying to jump through unrealistic and irrelevant hoops that take up too much time and energy, detracting from service delivery.”

Inconsistent and poor communication from government stakeholders is undermining trust. Civil society organisations find it hard to share good practice or develop partnerships when public sector stakeholders “operate in silos and do not talk with each other”.

“We have experienced a multitude of communication issues such as a pattern of drip feeding information which is not conducive to positive working. For example, being told one thing by colleagues in the civil service, and finding out other CSOs [civil society organisations] have been told something else. This creates distrust and fragmentation amongst CSOs.”

There has been a significant breakdown in trust between civil society and government, partly resulting from a lack of transparency and unfulfilled commitments. Participants described being ‘punished’ for speaking out on behalf of beneficiaries, with some citing clauses in their funding agreements, or giving examples of funding being withdrawn. Participants also described a withdrawal of state support, and government assuming civil society will be able to meet need in communities without state funding.

Overwhelmingly, participants across civil society organisations described a “lack of respect and understanding of what we do, belief we are amateurish...poor quality” or an attitude that we are “a ‘nice to have’ rather than a critical part

of a well-functioning state”, creating barriers for collaboration. Constructive and collaborative relationships often exist between individuals, but are not supported by senior leaders or by the wider organisational culture.

Civil society participants described a ‘power imbalance’ between them and government or public bodies, with different views on whether and how this should be corrected. One participant described “we have to make all the running and it feels like they see us as second class citizens rather than working partners.”

Enablers to support collaboration

There are several factors that can support effective working relationships including open and honest communication, long term funding and investment in working relationships. When civil society participants described a good relationship, key themes of trust and honesty emerged: “I think it’s about transparency. I think it’s about being very honest around what can be done and can’t be done..... I think it’s about trusting that people will do what they say they’re going to do. And it’s about, recognising the pressure that everybody’s under.”

Open, honest and regular communication supports the creation of trust. There are practical steps that can support this aim including forums to discuss priorities, opportunities and decision making. Throughout the engagement period, participants emphasised the importance of coproduction and codesign both with civil society organisations and citizens to ensure engagement offers a meaningful opportunity to shape the outcome.

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It's about trust, ultimately. If I think about the best relationships I've had with civil servants, they were not indiscreet, but were able to be open enough about what is going on that you approached problems societal or even sort of more specifically operational in a spirit of partnership and as kind of allies.

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Knowledge of how civil society operates is essential for a more effective relationship, and to improve assessments of how decisions impact on civil society. This is an area for significant development across government, including building an awareness that civil society organisations cannot deliver for free and experience unique challenges compared to other sectors.

Investment in interpersonal working relationships is vital to ensure a partnership can withstand challenge. Repeatedly, participants stressed the importance of respect for their expertise and time within these relationships, as well as mutual respect for constraints.

Several supportive conditions are needed for organisations to deliver services in partnership with government. These conditions include long term and flexible approach to funding as well as full

recovery of costs and a proportionate approach to reduce burden on small organisations.

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Two main things: long term partnerships with flexible funding, rather than short term contracts that leave civil society holding all the risk; giving civil society a place at the table early, at the design stage. Recognising the value they bring.

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Participants highlighted practical steps to support improved partnership working including identifying shared goals, dedicated stakeholder engagement roles, and Memorandums of Understanding. Others highlighted the need for investment to improve the capacity and capability of our sector.

Harnessing the innovative capability of civil society

Civil society organisations have a significant role to play to innovate in partnership with government, but they need the right conditions in order to develop and test new solutions.

Participants emphasised the importance of engaging civil society organisations in innovation as they can work more quickly, and their expertise in and proximity to local communities make them ideally placed to innovate. When identifying innovative solutions, civil society want to focus on what works rather than simply what is new.

In order to innovate, civil society needs supportive conditions. In addition to supportive government policies, such as tax relief, participants highlighted

the importance of investment in innovative work. Funding needs to be flexible, unrestricted, stable and long-term to allow a focus on outcomes, support creative risk taking and remove unnecessary administrative burden.

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Often we are so restricted in what we do and how we do it, which limits our ability to move with change and innovate and test and learn new approaches. It's unreasonable to think anyone will try something new and it will be perfect first time - there needs to be collective problem solving and resources put to trying out new things and accepting if it fails or needs tweaking.

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Civil society organisations also need the appropriate skills, infrastructure and capabilities to innovate. Organisations highlighted the need for civil society to have access to technology and data, as well as the skills and capacity to evaluate impact and take a 'systems-thinking' approach.

“

Increasing civil society's capacity to research, evaluate and demonstrate the impact of its work is vital. It is also important that statutory organisations and funders are supported to commission ambitious test and learn projects that enable organisations like ours to innovate, instead of fighting fires.

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A significant shift in culture is needed to support innovation both within government and civil society. This shift includes working as equals with partners and citizens to coproduce or codesign solutions. In addition, innovation can only flourish in an organisational or system-wide culture that sees failure as a learning opportunity and takes a more strategic approach to scaling innovation. This contrasts starkly with many organisations current experiences of working with government.

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I bet the way you develop creative thinking is totally different from how it's done within government. You will not be turning up to two-hour meetings in a wood panelled room... You would be, I suspect, acting in some kind of agile methodology with sprints...that develop creative spaces whereby you're bringing in a diversity of thought and co-creating in a way that's much more dynamic. And I honestly think there is something that needs to fundamentally change about how thinking is developed. In a way, that you create psychological safety but that encourages and drives entrepreneurial thinking.

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Actions for civil society to improve collaboration

Civil society organisations often feel disempowered in their relationships with government and lack capacity, yet there are some actions civil society can take to improve the relationship with government.

In order to improve the relationship between civil society and government, change will be needed by all parties to build trust and understanding.

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As this will be a reciprocal agreement, are there any commitments that need to be made by civil society organisations as well that we will hold our side of the deal because The Covenant is both ways. But again, we would want to see concrete commitments that are measurable actions from government.

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Larger civil society organisations highlighted that it is easier for them to engage government, and there is therefore a role for them to support other organisations to engage or broker relationships.

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At the moment it's much easier for larger civil society organisations to access funding, and speak out. But are they the ones that are carrying through the lived experience of grassroots communities? Probably not. So we need to see an infrastructure that allows large organisations to be intermediaries to where the real innovation and grassroots work is going on. And for that to be funded well and for civil society organisations not to be competition with each other, we need to collaborate and coexist.

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While we know that civil society organisations are concerned about their capacity, a range of possible actions were identified by organisations, including the following:

- Collaboration within civil society
- Taking innovative approaches
- Ethical behaviour and working within the law
- Representation on mission boards
- Transparency in operations with government
- Responding to data requests
- Advocating for their own expertise and role to government
- Showing willingness to engage with government wherever opportunities arise
- Offering solutions

Differences in experiences

While the engagement exercises highlighted patterns and trends, civil society organisations have different experiences of working with government bodies.

Smaller civil society organisations experience additional barriers, particularly when trying to engage central government. Larger organisations are perceived as having more resource and knowledge to dedicate to engaging with government. We noticed that larger organisations are more likely to employ staff with experience of working in government, resulting in greater expertise in how to navigate and influence government.

Local government is viewed by some as more accessible to civil society and more flexible, whereas others report a patronising and tokenistic approach to engagement. Some small hyper local organisations expressed significant frustration at local authorities ignoring opposition to unpopular plans. While some organisations described positive experiences of working with central government officials, others found departments to work in transactional, siloed and bureaucratic ways. Some organisations told us central government has a lower level of understanding of civil society, whereas others have described poorer understanding at a local level.

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There is a lack of understanding of diverse business models, social enterprise and co-ops. At a national level, civil servants are keen to engage and ‘understand’ the model and apply it to innovation, delivery and better outcomes.... At a local level, devolved powers do not have capacity in their legal departments to engage with this at any level, let alone innovation.

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While the NHS Voluntary, Community and Social Enterprise (VCSE) alliances are often held up as good practice, some organisations described health bodies such as Integrated Care Boards (ICBs) as difficult to engage with and hard to navigate. VCSE alliances are strategic partnership forums bringing together health bodies and local VCSE organisations. Challenges include lack of engagement with civil society, insourcing services where community organisations are better placed to provide, lack of local knowledge, and lack of transparency or visibility within communities. More broadly in the health system civil society organisations are essential to support those living with health conditions and prevent poor health, yet organisations describe being excluded.

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The NHS 10 Year Plan consultation that’s just going on at the moment, completely bypassing all the VCSE organisations doing direct consultation without letting us know what’s going on. So we’re all being asked what’s going on? We have no idea....

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Feedback on the draft Covenant principles

There is broad support for the draft principles, but civil society organisations want to see them expanded to include more detail including specific actions.

During the engagement period we sought feedback on four draft principles, set out below.

- Recognition: to ensure a strong and independent civil society
- Partnership: to ensure effective service delivery, policy making and shared learning
- Participation: to ensure people and communities can be heard and make a difference
- Transparency: to ensure civil society and government have the information needed to best service people and communities

We found broad support for the idea of a Covenant, as well as a level of scepticism about whether it would translate into meaningful change for organisations: “The real question is what is government prepared to do to make the reality on the ground different?”

Civil society organisations gave specific feedback on the content of the principles, including calls for the following actions.

- Consider equality and equity in decision making, as well as inclusive practices to bring in voices often excluded.

- Ensure accessible and genuine consultation, where the outcome is not predetermined.
- Support civic rights and safeguard the independence of civil society to advocate and campaign freely, including organisations in receipt of government funding.
- Ensure equitable treatment and opportunities for smaller organisations.
- Provide resource to sustainably fund the sector.
- Improve commissioning processes to reduce burden and encourage collaboration.
- Provide early and ongoing engagement opportunities.
- Coproduce and codesign with civil society and communities, including identifying the problem together.
- Invest in individual relationships and open communication, including feedback about funding decisions.

There were some areas of disagreement. Some preferred the language of ‘respect’ over ‘recognition’, citing the need to explain our value beyond value for money provision of services. However, others expressed concern the word ‘respect’ would limit their ability to campaign effectively. Some organisations want to see radical shift to share power between civil society and government, whereas others recognise “there is always a power imbalance” and “political risk cannot be shared”. While some welcomed transparency also extending to civil society, not just public bodies, some expressed concern that the sharing of data could be used against organisations in some way or could become too expensive or burdensome for organisations.

Feedback on accountability and implementation

Civil society organisations stressed the importance of accountability mechanisms and ongoing implementation plans to embed the Covenant into ways of working across government.

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[The Covenant] could be really effective. If it can be kept simple and it can be embedded and it’s part of the communications that just become part of the normal conversation within the sector and within government. There needs to be something behind this in terms of not just one moment of raising awareness when it’s launched, but a kind of ongoing strategy around it.

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Civil society organisations want the Covenant to be a “living breathing thing” with clear actions, and examples of what a good relationship looks like. The inclusion of clear commitments is viewed as one of the strengths of the Compact.

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The Compact was not just a set of principles, but a set of actions that sat behind the principles....The Compact had a lot of really good stuff in....It talked about notice periods for end of contracts. It talks about payment upfront to VCS organisations rather than in retrospect. It talked about some real tangible actions around equality and diversity.

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Across the board, civil society organisations want to see the Covenant have ‘teeth’ and accountability mechanisms to drive a change in ways of working.

Organisations shared various ideas to support implementation, including the following:

- Levers to make change happen, including policy frameworks, governance arrangements, a theory of change, inclusion within contracts, a dispute resolution service, statutory regulation and an oversight body, requirement of public body funding, and a role for the mission delivery unit.
- Support to encourage change, including a community of practice, forums for open dialogue, structured outreach to less heard voices, leadership modelling, ‘how to’ guidance, accreditation, showcasing success, and training offers.
- Review whether change is happening, including gathering data to monitor progress, an annual joint review, or a specific committee.

Alongside suggestions for putting the Covenant into practice, organisations highlighted the need for broader changes such as a review of the Lobbying Act and development of a Civil Society Strategy.



Next steps to develop and implement the Covenant

Drawing on these findings, there are a number of vital steps to ensure the Covenant is effective in improving the relationship between civil society and government. Given the scale and depth of change needed at a time of competing priorities, the Covenant will require the following factors to be a success.

- Direction, via clear principles and practical steps
- Responsibility, to drive progress
- Conditions, to remove the barriers to partnership working
- Support, to test new ways of working and build capability
- Mechanisms, to support better engagement
- Review, to understand what is and isn't working

We are actively speaking to the Government about the steps to finalise and implement the Covenant, and hope to make progress in these areas.

Direction

Civil society organisations want to see what practical steps the Government will take to put the Covenant into practice. While there is value in having principles that are accessible to a broad audience, clear and practical steps are needed to make these principles meaningful.

The principles need to contain clear commitments to support civil society to both partner and hold government to account. We would expect to see protection of our right to campaign and conduct peaceful protest, as well as a commitment to remove some of the practical barriers that make partnership

working difficult such as unsustainable funding arrangements or lack of resources for engagement in policy-making. The Covenant should include a commitment to better assess the impact of policy-making on civil society and ensure we have the conditions we need to partner and challenge.

It is important the Covenant meets the minimum standards set by the previous Compact. Government must make a clear commitment to existing requirements such as responsiveness to freedom of information requests, accessible consultation and sufficient equality impact assessments.

This is a reciprocal agreement and as such the Covenant should include some actions for civil society, as the Compact did, whilst recognising the capacity challenges facing smaller organisations in particular. Examples of actions include.

- Respecting where information is sensitive and can't be shared more widely.
- Open communication and advance notice of campaigning activities.
- Collaborating within civil society to ensure a wide range of perspectives are heard.
- Working with government to improve the evidence base, and wherever possible sharing data.
- Involving beneficiaries in their work.

Responsibility

Civil society organisations want to see a Covenant that has 'teeth' to ensure the Government and relevant public bodies prioritise collaboration with civil society.

The following steps would create the level of responsibility needed to drive progress at a central government level.

- Establish a Ministerial and a Director General lead for civil society in every department. Permanent secretaries and Heads of Professions should also be given specific responsibility.
- Update the ministerial code to reflect commitments to improved ways of working with civil society.
- The Culture Media and Sport select committee should provide oversight with regular reporting and a review hearing after the first year. Given the pressure on public spending, this would be more effective than setting up a new ombudsman or commission. Ensuring a role for the select committee would also safeguard the Covenant for future administrations.
- Create a panel or steering group, made up of civil society and government leaders, with an official remit to oversee the Covenant and conduct activities like a call for evidence or review. This group should have a remit to make recommendations to key stakeholders where improvements need to be made.
- Require relevant bodies and departments to report on civil society engagement and progress against the Covenant, as well as publish action plans to implement the Covenant. These action plans should set out a regular rhythm of engagement, with a set number of meetings committed to. Reporting is essential for leaders to understand where improvements need to be made.
- Responsibility for implementing the Covenant should be centrally located in government to drive change across departments, with reporting to the Prime Minister. There should be a leading role for the Cabinet Office to embed the Covenant principles across Whitehall.

The Covenant needs to support government departments, arm's length bodies and executive agencies, and local public bodies without undermining or confusing relationships or arrangements in devolved nations.

Most organisations are working with local government and local health bodies. The following steps would support the Covenant to be embedded at a local level.

- Ensure local bodies, including but not limited to local authorities, health bodies and policy and crime commissioners, have sufficient resources to invest in partnership working.
- Ensure each local body has a senior accountable person with reporting requirements. At a local level, partnership with civil society could be a key indicator embedded within the government outcomes framework outlined in the devolution white paper.
- Create a statutory duty on public bodies to engage with civil society, with latitude for local interpretation. This would provide important motivation for leaders of public bodies particularly during times of change and upheaval. The devolution bill could include partnership with civil society, and sustainability of civil society, as a strategic responsibility.
- Use key forums such as the Leaders Council and Mayoral Council to highlight the importance of the Covenant. The Mayoral Council, chaired by the Deputy Prime Minister, brings together England's Mayors. The Leaders Council, brings together a representative group of local authority leaders with the Deputy Prime Minister and other ministers.
- Use existing mechanisms to embed better partnership working with civil society. For example, Police and Crime Commissioners (PCCs) could detail their plans via Police and Crime Plans,

that already set out arrangements for community safety partnerships. PCCs already have a statutory duty to engage local people, and their work is scrutinised via scrutiny panels. These mechanisms could be used to encourage and assess partnership working with civil society.

Conditions

This engagement exercise has highlighted a number of areas that require policy change in the Westminster government to enable civil society to both partner with and challenge government.

- Review the Lobbying Act, and particularly the negative impact of Part 2 on campaigning by civil society. Part 2 includes provisions for the regulation of third parties involved in non-party campaigning.
- Amend the grant standards to create a more permissive environment for advocacy. Provisions within the standards were introduced by a former administration to prevent public money from being used to fund advocacy work. Changes have been made over time to make the standards more permissive, but lobbying remains ineligible expenditure for government grants. Some activities, such as giving evidence to a select committee, are allowed if that is specifically permitted in the grant. The provisions within the guidance cause confusion about what type of activity can and cannot be funded, resulting in a chilling effect.
- Remove clauses in contracts and grant agreements that restrict advocacy. 'Gagging clauses' in government contracts prevent the supplier from, for example, bringing a Secretary of State into disrepute. This deters organisations from highlighting flaws in government policy or service design. The model services contract should be amended to give suppliers confidence they can advocate for beneficiaries.

- Produce a commitment to fair funding of public services and a guide to flexibly commissioning people-centred public services in England, via a Procurement Policy Note and building on commitments within the National Procurement Policy Statement. There should be a review of whether approaches to commissioning and procurement (whether through grant funding processes, the Provider Selection Regime or Procurement Act) are enabling civil society to effectively deliver services.
- Ensure consideration of civil society is embedded across government policy making, including development of a civil society strategy to create a supportive policy environment. The requirements for policy impact assessments should be improved, with the Regulatory Policy Committee calling in assessments that don't sufficiently consider civil society. A policy test or guidance should be created to improve policy impact assessments about civil society. Departments should work together to better assess the holistic and cumulative impact of policy decisions on civil society.

Support

The following steps would ensure both civil society and government have the skills and support they need to test different ways of working and develop partnerships.

- Facilitate a community of practice for leaders across in-scope government and public bodies in England. Infrastructure bodies could run a parallel community of practice for civil society, and joint events could support learning across these communities.
- Produce practical guidance, such as a code of practice, and training at a local and national level to increase mutual understanding and capability for partnership working. There should

be a role for the Cabinet Office to drive best practice on working with civil society across government, using their position at the centre of government. In the next section of this report, we have indicated some practical signs of progress if each of the principles is put into practice.

- Support away days for government officials and civil society to step out of their daily routines, meet each other as equals and create space for more ambitious conversations.
- Work with civil society to develop a secondment and/or shadowing programme, particularly for senior leaders, to help develop mutual respect and understanding. This would be beneficial at a national and local level. We have also heard feedback about the benefits of public sector leaders visiting civil society organisations.
- Training on how civil society functions should be developed in partnership with, for example, the policy profession initiative within government and leadership training offer for local government leaders.

There is a role for infrastructure bodies like NCVO and ACEVO to review civil society's experiences of working with government and offer support to our members to improve ways of working.

Mechanisms

For the Covenant principles to be embedded into the way government works, various organisational mechanisms and reforms are needed.

- Integrate the Covenant with the work of the Missions Delivery Unit, with voluntary sector representation on the mission boards. 'Sub-covenants' could be created for each mission to support civil society engagement across government priorities. This is vital to ensure the Covenant is seen as

relevant to the priorities of this Government.

- Ensure the governance and implementation of the Covenant has a strong connection to the Partnerships Unit in No. 10 and the Missions Delivery Unit. The Partnerships Unit should work with departments to create a more accessible 'front door' for civil society to engage with government. This would encourage a more outward facing and joined up approach to policy-making and delivery.
- Create a process for formal engagement with the voluntary sector in line with all major fiscal events, such as quarterly roundtables with voluntary sector representatives and Treasury ministers. We recommend the creation of a unit of civil servants within the Treasury, tasked with considering the impact of spending decisions on the voluntary sector, and forming a cross Whitehall team of officials to ensure policy-making across departments considers the impact on the voluntary sector and creates an enabling environment.
- Ensure organisational design across government supports the ambition of the Covenant. Engagement of civil society organisations should be embedded within relevant job descriptions, appraisals, competencies and standards, such as the policy profession or government functional standards. There should be policy roles within relevant bodies with a civil society remit to support inclusion of civil society voice within policy discussions and ensure their insight reaches those with decision-making power.

Review

Continuous and ongoing review is needed to identify best practice to share and understand where further support is needed to drive progress.

- Commit to review stakeholder experiences of the Covenant every year. A review should include research into the experiences of stakeholders across government bodies and civil society, analysis of any examples of good or bad practice surfaced over the year, and evaluation of government activity against agreed action plans. A steering group of government and civil society representatives should work together to conduct deep dive reviews into particular issues, including campaigning and commissioning.
- Run an annual consultation to iterate and make improvements to the principles and associated documents.
- Develop a mechanism for civil society to highlight real time issues, taking lessons from the reform of the public procurement review service. The public procurement review service offers a route for suppliers to raise concerns about public procurement practice.

Appendix

Activity and methodology

From October to December 2024 we worked closely with DCMS to run a series of engagement activities. We worked with DCMS to draft some top-level draft principles, included below, to use as a prompt for feedback and discussion.

- Recognition: to ensure a strong and independent civil society
- Partnership: to ensure effective service delivery, policy making and shared learning
- Participation: to ensure people and communities can be heard and make a difference
- Transparency: to ensure civil society and government have the information needed to best service people and communities

NCVO, ACEVO and Culture Studio worked together to gather feedback via an online form, 16 online workshops, 18 in-depth interviews and wider stakeholder engagement. We have reached approximately 1,000 participants from across civil society organisations in this process. In addition, we have reviewed examples of other similar initiatives to collate learning.

We used a thematic approach to analyse the data, with the help of a large language model for the survey data.

The response rate from participants from smaller organisations was lower than we hoped given they make up the majority of the sector. We made significant efforts to engage this group, including targeted communications and offering different ways to be involved.

When we refer to smaller organisations, we mean organisations with an annual income of £500, 000 and under.

During the engagement period, DCMS worked with NCVO and ACEVO to spread this engagement across the width and breadth of civil society, hearing directly from over 1,200 organisations representing the diversity of civil society organisations that operate in the UK. In addition DCMS, with No10 and ministers, held a series of roundtables with a range of civil society organisations, specifically including groups and subsectors who may have been under-represented or experienced barriers to participating in the engagement process. Alongside civil society engagement, DCMS engaged with officials from government bodies ranging from UK government departments, to local authorities and devolved governments.

