

Funding Code of Practice

1. Status of the Code

This Code is not legally binding but represents a commitment to good practice and should be seen as a mechanism for improving the funding relationship between the voluntary and community sector and statutory funders in Swindon and operates within the principles of the Swindon Compact.

2. Aims of the Document

This Code of Good Practice aims to make a positive impact on the funding relationship that exists between statutory funders and the voluntary and community sector in Swindon.

It should help to develop and sustain effective procedures that result in sound funding decisions to support well-delivered quality services and active citizenship.

There is added value in working in partnership towards common aims and objectives. The voluntary and community sector is seen as a key partner for public authorities both as a policy partner and as a funding recipient.

3. Background

The statutory sector in Swindon provides funding to the voluntary and community sector in a variety of ways (e.g. grant aid or commissioning services) to meet an identified need. This arrangement assists the statutory sector to meet its own priorities and objectives recognising the voluntary and community sectors ability to:

- provide high quality services that are complementary or additional to public services, including preventative services.
- improve access and choice for service users.
- identify new needs and better ways of meeting existing needs.
- support and empower service users, volunteers and active communities.
- be a conduit of information.
- promote equality, social inclusion and community cohesion.

4. Types of Funding

4.1 Discretionary Grants

- Strategic funding for voluntary and community organisations to capacity build and deliver core services.
- Project funding which can be used towards training, operating and running costs arising from specific projects.

4.2 Commissioned Services

- A process of planning, purchasing and monitoring services the statutory agency needs to deliver, determined by clear strategies and plans, involving the voluntary and community sector.

4.3 Match funding

- Where appropriate from external sources match funding can secure a broad base of support for the work of a voluntary or community group and avoid over reliance on one funder. It should however reflect the realistic ability of the organisation to raise match funding which may be beyond small local groups. In kind contributions should be identified and notional values placed on them.

4.4 Partnership funding

- Programmes based on partnership working between or involving the voluntary, public and private sectors, which can be contracted with, to provide services. The particular needs of the voluntary organisation will be considered with regard to cash flow and the availability of support from the funder(s).

4.5 Partial funding

- In some instances a funder may offer partial funding as a contribution towards a service that the voluntary or community group intends to provide.

All types of funding can be for varying lengths of time.

Different statutory organisations will adopt different funding mechanisms.

5. An effective funding framework

5.1 Funders' Undertakings

The funder undertakes to implement an effective funding framework that:

- achieves Best Value;
- assists in meeting the funders service priorities;
- provides accountability for public money;
- ensures fair access to funding;
- provides information on the national and local priorities and targets;
- provides clear service specifications for services to be commissioned;
- provides information about the annual planning and budget setting cycles;
- provides easily accessible information about types, sources and amounts of funding available;
- provides clear eligibility criteria;
- provides information on sources of support for organisations that need help in applying for funding;
- provides transparency and objectivity in assessment procedures;
- provides feedback on unsuccessful funding bids;
- ensures proper consideration including the needs of black and minority ethnic organisations and small community groups, which tend to have limited access to other funds.

5.1.1 Termination of funding

- At least 3 months' notice will be given when ceasing or withdrawing funding unless this is due to non-performance or breach of the funding agreement.
- The funder will take into account the obligations of the organisation towards its staff and service users.
- The final payment can be used to pay for appropriate winding down costs.
- Funders may offer advice and support if appropriate.

5.1.2 Intervention when an organisation is in financial or other difficulty

- The organisation should notify the funder of its concerns.
- The funder should notify the organisation of its concerns.

- The funders concern will be to ensure the best use of public funds in providing services to the community.
- The terms and conditions will cover the circumstances in which funding should be returned.
- Whilst acknowledging the responsibility to ensure the appropriate use of public funds the funder may agree to a recovery plan.
- If the withdrawal of funding leads to the winding up of the funded organisation the final payment can assist in associated costs.
- Any intervention by the funder will avoid interfering with the discretion of trustees and the independence of the organisation.

5.1.3 Cuts in funding to the voluntary and community sector

- Where a funder is planning to make changes in funding to voluntary and community groups, consultations will take place with the local voluntary and community sector.
- Making flat percentage cuts across grants programmes will be avoided.

5.2 Voluntary and Community Sector Undertakings

The voluntary and community sector recognises that the receipt of public funds carries with it responsibilities to the funding body and to the public that benefit from the services provided. The sector undertakes to:

- have clear and effective financial and employee/volunteer management arrangements;
- be accountable for funds received;
- maintain high standards of governance and conduct;
- have systems for monitoring and evaluating activities against agreed objectives.
- have appropriate systems for quality assurance including accountability to service users;
- involve volunteers and users in service and policy development;
- be subject to the provisions of the Human Rights Act 1998 where appropriate;

- acknowledge the funders support in promotional material and publicity;
- identify clear service delivery targets and performance indicators that funding from public bodies will help achieve;
- notify the funder of financial or other difficulties, which may result in not meeting agreed service delivery targets;
- have an Equalities Policy or Statement, and be actively committed to promoting practices that tackle discrimination, including the delivery of accessible services, in accordance with the Disability Discrimination Act.

5.2.1 Under spends

- Where an underspend is anticipated the funded organisation should notify the funder as soon as possible.
- The surplus may have to be paid back or agreement sought from the funder as to the best way of dealing with the under spend.

5.2.2 Financial reporting

- All voluntary and community sector groups should maintain accounting procedures that comply with the Charities Commission and where appropriate Companies House.
- Financial information should be provided to the funder and the arrangements for this made clear at the outset of the funding arrangement.

6. Monitoring and Evaluation

Before any funding is agreed there will be negotiation between the funder and recipient to agree:

- the monitoring process, the types of information required and timescale;
- the monitoring processes already used by the organisation will be taken into account;
- the cost of monitoring and evaluation should be recognised.
- no changes should be made to the agreed monitoring during the funding period. Key indicators should be designed at the outset and all reporting based on that. Any deviations would require further funding.

Monitoring processes will:

- be relevant and proportionate to the size of the funding and the organisation;
- provide clear accountability.

7. Infrastructure Organisations

The Swindon Compact recognises the importance of infrastructure organisations. They maximise the effectiveness of other voluntary and community organisations operating in Swindon by providing general or specialist help across a range of activities including fundraising, management issues, constitutional advice, training, volunteering and practical help, building the capacity of frontline organisations delivering services in their communities.

They are important in promoting partnership between voluntary and community organisations and the statutory sector as well as providing a channel for communication.

8. Review

As with the Swindon Compact this Code of Practice is a starting point not a conclusion, therefore it will be reviewed annually to assess its effectiveness.

Processes and Procedures

1. Discretionary Grants

1.1 Application process for discretionary grants

The funder will:

- have a clear application process, and appropriate timescales, which should be publicised to the voluntary and community sector.
- acknowledge applications for funding in writing within ten working days of receipt and inform applicants of when a decision is expected;
- explain the decision making process within the application pack.
- offer advice and guidance including information on where help with applications is available on the application process.
- application forms will be available on line whenever possible

1.2 The grant assessment process

The funder will:

- assess whether or not the applicant can meet the minimum requirements in respect of accounting and monitoring procedures and legal status;
- assess whether or not the application meets the specific criteria;
- seek further information or clarification from the applicant where necessary.

1.3 Grant decisions

The funder will:

- publicise the assessment criteria against which decisions are made;
- give notice of the decision making process;
- publish how decisions to allocate funding are made;
- make clear any arrangements for publicising grants awarded.

1.4 Funders notification of decisions

- After the decisions have been made notification of funding awarded will be given as soon as possible. Applicants will be kept informed of any delays in the process.
- Where an application is not funded to the full amount requested the implications and consequences for the funded organisation will be discussed and level of service provision agreed.
- Notification documentation will include; the amount and period of the funding, the purpose for which the funding is provided, terms and conditions, jointly agreed performance indicators and targets, monitoring and evaluation arrangements, arrangements for payment and two copies of a funding agreement signed by the funder. Both copies must be countersigned by a Trustee of the organisation and one copy returned to the funder to enable payment of the grant to be made.
- Unsuccessful applicants will receive a clear explanation of why no funding was awarded and be given a contact point to raise any query.

2. Commissioning

2.1 Planning Services

- Planning and commissioning services will follow the appropriate statutory agency's annual planning and budget setting cycle.
- Swindon Primary Care Trust commissions Services in line with the Local Delivery Plan (LDP) structure. This is an annual programme, which includes the review of the range of existing providers, and identifies plans and resources for the development of additional or new services.
- A gap in service provision is identified in the context of planning and implementing national and local service targets and priorities.
- Working in partnership with service users, potential service users, other partners, which could include user led and voluntary organisations, groups and individuals, to identify needs and establish how these could be met in the context of planning and implementing national and local service targets and priorities.

- Recommendations for the provision of a service are taken to relevant multi-agency service strategy groups in order to provide a specialist focus for the development of services.
- A service specification is developed in partnership with appropriate stakeholders; this will include a discussion on the most appropriate way to commission the services e.g. whether to proceed with a tendering process or a complementary service.
- In the case of some specialist services organisations may be approached directly.

2.2 Tendering process

- Once a service specification is developed and a decision is made to tender, a notification of tender will be widely published. This will include notices in the local and voluntary press. Known organisations with an interest would be sent this information directly.
- A multi agency steering group for the tender process is agreed.
- Tender pack includes specification, timetable including the tendering programme, background information and objectives, the cost and length of the contract, eligibility criteria and contact details and a reference request.
- Once tenders are received they will be assessed against eligibility criteria by the steering group and those selected for interview will be invited to attend and references will be taken up.

2.3 Interview process

The process will vary depending on the value of the contract and type of service but it may include:

- a presentation
- a question and answer session with a users group
- a formal interview
- an informal discussion

2.4 Tender award

- There may be a discussion process with candidates before a decision is formally made. Once the decision has been formally made the successful organisation is informed and offered the contract.

- Unsuccessful candidates are informed and offered feedback.

2.5 Contract

A standard contract is produced with a detailed service specification, this may vary depending on the size of the contract and number of partner agencies. This is developed in partnership with the service provider; the contract will include:

- length of contract
- the service
- key objectives
- personnel providing the service
- eligibility and referral
- feedback arrangements
- performance indicators and targets
- financial details
- monitoring
- contingency plans.

Non-financial support

Swindon Borough Council:

- provides community development support within current resources to priority communities as identified in the Neighbourhood Renewal Strategy and to promote community cohesion;
- provides community halls at subsidised prices to appropriately constituted community and voluntary organisations;
- leases community centres to properly constituted community associations at notional rents;
- provides access to a funding search tool, BidTrack, to voluntary and community organisations through Voluntary Action Swindon.
- works in strategic partnership to increase and develop our external funding stream by acting as the lead or accountable body on any bidding process.
- Provides discretionary reductions on National Non Domestic Rates to voluntary organisations that meet the criteria.

Funders may:

- lease other premises to voluntary organisations at notional rents;
- provide information on external funding sources;
- second staff to voluntary organisations;
- work together with voluntary organisations on projects.

Glossary

	Definition
Core Funding	Funding to cover costs incurred in running an organisation or services, including management, premises, administration, training, research and IT.
Evaluation	Process of looking at information and making a judgement on the quality of the progress and successes against expectations and stated aims.
Infrastructure support organisations	Voluntary and community organisations that play a supporting, co-ordinating, representation, policy making and development role for other voluntary and community organisations.
In kind contributions	Contributions other than money, e.g. volunteers' time, premises, training etc.
Monitoring	Process of gathering and recording information on a regular basis. Keeping account of progress and work undertaken against a set of agreed objectives, targets and indicators.
Non-financial support	e.g. discretionary rate relief, reduced rents, community development and other staff support / expertise.
Statutory sector	Organisations set up and funded directly by government
Strategic Funding	Takes account of the broader aims and needs of the funder; funding activities which meet the objectives of the funder but the voluntary or community organisation is able to deliver them at a level and to an audience that the funder is not <u>or</u> to assist a particular target group <u>or</u> to support a particular voluntary or community organisations role.

The Swindon Compact Funding Code of Practice: Working Group

Jaginder Bassi	Swindon Racial Equality Council
B.P. Massam	Age Concern/Dial a Ride
Joseph Culkin	CRUSE
Tom Taylor	Thamesdown Stroke Centre
A. Latif	Millen Advice Point
T. Goodwin/(Nigel Rolland)	Wiltshire Law Centre
Safder Naqvi	Pakistan Welfare Association
John Green	Working for Opportunities
Lyndie Gawke	New Phoenix Disability Resource Centre
J.S. Grewal	Sikh Temple Swindon
Lynne Bamford	Great Western Enterprise
Ram Thiagarajah	Broadgreen Breakfast Club
Dominic Muindi	African Community Initiatives Service
M.S. Khan	Pakistan Welfare Association
Jo Osorio	Age Concern Swindon
Evelyn Ryder	Dial-A-Ride Community Transport
Terry Iles	Swindon Federation of Community Organisations
J. Orchard/Norry Goymer	Youth Action Wiltshire
Julie Pett	Swindon Primary Care Trust
Paul Dixon	Voluntary Action Swindon
Angela King	Social Services, SBC
Lynn Forrester	Local Agenda 21, SBC
Nick Lowe	European Social Fund Co-ordinator, SBC
Anne Fisher	Grants Monitoring Officer, SBC
Gillian Morris	Community Development Manager, SBC
Councillor Barrie Thompson	
Councillor Lisa Hawkes	

This document can be accessed from the Swindon Borough Council website at: <http://www.swindon.org.uk>