



Funding for Voluntary and Community Sector Organisations in Southend-on-Sea

A Code of Good Practice

‘Success Through Partnership’

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The Compact for Southend-on-Sea sets out the expectations between the voluntary and community sector and statutory organisations

1 Introduction

The Compact is a framework for partnership working between statutory organisations and the voluntary and community sector.

The Compact sets out:

- A shared vision.
- Undertakings from both sides.
- Commitment to respect the independence of the voluntary and community sector.
- Systems to help make sure that the agreement works.

The Compact will be supported by Codes of Good Practice in the areas of Funding, Consultation and policy appraisal, Volunteering, Community Groups, including those, which are Faith Based and Black and Minority Ethnic (BME) organisations.

This Funding Code is the fourth of the Codes of Good Practice. It adds more detail to the principles laid out in The Compact document. The Code was written by a working group of representatives from the Voluntary and Community Sector and Statutory Bodies.

This Code describes how statutory organisations and voluntary and community organisations should work together in a positive way. It sets out their undertakings as part of a commitment to working in partnership for the benefit of all.

2. Key Principles:

- Commitment to developing financial relationships that make the best use of the available resources and maximise the outcomes achieved.
- Understanding each other's needs and requirements and discussing matters openly to help avoid problems and to help achieve outcomes.
- Commitment to seeking increased funding for the voluntary and community sector.

3. Key Undertakings:

The Statutory Sector undertakes to:

- Recognise the independence of the voluntary and community sector.
- Promote fair access to all types of funding opportunities from grants to service level agreements and contracts, particularly for marginalised groups.
- Ensure that all funding application procedures are as simple as possible and in proportion to the amount of money involved. Provide, whenever possible, an opportunity for the voluntary and community sector to contribute to funding programme design.

The Voluntary and Community Sector undertakes to:

- Comply with all funding application procedures.
- Pursue good practice in the use and administration of public funds appropriate to the scale of funding and operation.

- Publicly acknowledge the financial support provided by the statutory sector.
- Participate fully in consultation regarding funding programme design.

4. Scope and Application of the Code

The Code is not a legally binding document; it is an enabling one, to strengthen and bring into focus the relationship between statutory organisations and the voluntary and community sector. Its authority is derived from its endorsement by the statutory organisations that are signatories to the Compact and the sector itself through the consultation process. The Code covers all funding provided by the statutory organisations that are signatories to the Compact.

As part of the process of making the Compact work, there will be an annual review by statutory organisations and the voluntary and community sector to assess the development and operation of the Compact, including this Code of Practice. The Compact and this Code can only make a difference if the use of the Code is advocated in all our dealings – we must develop a Compact way of working.

5. Aim of the Code

- To make a joint undertaking that will have a positive impact on the funding relationship that exists between the statutory organisations that are signatories to the Compact and the voluntary and community sector.
- To help to develop and sustain effective procedures that result in sound funding decisions to support well-delivered programmes.

- To utilise all funding sources effectively and in partnership to maximise benefit to Southend-on-Sea.
- To help both the voluntary and community sector and the statutory organisations to plan better how the sector is resourced encouraging greater stability.

6. Key points for an effective funding framework

- Value for money.
- Procedures that are consistent with the principles of good regulation and the need to provide effective protection of, and proper accountability for, public money.
- Respect for the voluntary and community sector's independence.
- Improved sustainability and longer term planning.
- Recognition of core costs and the need to contribute to these partially or fully.
- Support for the infrastructure of the voluntary and community sector.
- Fair access to strategic, project and contract funding.
- Improved co-operation and consistency within and between the statutory organisations.
- Clarity in funding conditions, including the amount of money available.
- Joint approach to monitoring and evaluation.
- Timeliness – allowing time for planning, decision making and action so they have real effect.

7. The importance of funding by the Statutory Sector

The statutory sector provides a substantial contribution to the voluntary and community sector's income, whether through grants, service level agreements or contracts. By this means the statutory sector helps to underwrite the capacity of voluntary and community organisations to add value by:

- Using their expertise to inform and implement policy.
- Promoting equality and social inclusion.
- Supporting and empowering service users and volunteers.
- Providing high quality services that are complementary or additional to public services.
- Identifying new needs and better ways of meeting existing needs.
- Promoting the use of quality initiatives.
- Attracting a considerable amount of funding into Southend-on-Sea that would not otherwise have been available.

8. Recognising core costs

In a competitive funding environment many voluntary and community organisations experience great difficulty in securing funding towards their core management and administration costs, which need to be met if they are to operate efficiently and effectively. Organisations submitting applications for funding are responsible for costing and planning their work realistically, including taking account of any cost increases over time, for example, salary increase or compliance costs resulting from new legislation. Funders should encourage applicants to develop realistic budgets to help ensure that organisational or project outcomes are achieved to an appropriate standard.

9. Matched funding requirements

Where match funding is appropriate, it can help secure a broader base of support for funded work; enable funding programmes to support many more applications than would otherwise be the case; and avoid an over-reliance on statutory funding.

It should be agreed between the funder and the funded organisation exactly what is eligible for matching. Consideration should be given not only to financial contributions but also to volunteer time and other in-kind contributions such as donations of equipment, premises, materials etc. Any claims of in-kind contributions should be substantiated and notional values placed on them. Care should be taken when deciding how records of volunteer time are to be kept to avoid imposing unrealistic requirements upon volunteers and the organisations they help, while maintaining a credible system of recording the contribution.

10. Joint Undertakings:

Statutory organisations and the voluntary and community sector in Southend-on-Sea are committed to establishing and maintaining best practice in their financial relationships, and therefore undertake to:

- strengthen partnership working to increase the funding available within Southend-on-Sea.
- make suitable mention of this Code of Practice in all appropriate documentation and publications.



Statutory organisations and voluntary and community organisations can work together in a partnership for the benefit of all

11. The Statutory Sector will:

- consult relevant voluntary and community organisations on the development of new funding opportunities.
- give appropriate advance notice of new funding opportunities before the application process starts.
- make details of funding opportunities as widely available as possible.
- ensure that guidance notes and application forms are made readily available to applicants. including on the internet.
- where necessary provide information in Braille, large type face, audio, and in languages other than English.
- give positive encouragement to applications from those sectors that tend to have limited access to funds, including Black and Minority Ethnic voluntary organisations.
- recognise the potential of faith communities to contribute to social inclusion as being distinct from the promotion of religion (a failure to understand this distinction could lead to faith groups being incorrectly assessed as ineligible for funding).
- offer an opportunity, where practicable, to discuss potential applications with applicants;
- review regularly the adequacy of arrangements for ensuring fair access to funding.
- provide application forms that are well designed and clear and ask for information which is relevant to decide who will receive funding or be awarded the contract.

- any changes to the forms or the process will be done in collaboration with the voluntary and community sector.
- provide named contacts for advice and support.
- provide timescales that are realistic both for application and assessment of bids.
- notify applicants of decisions as soon as possible.
- monitor the funded organisation, ensuring the money is used only for the purpose it was awarded and clarifying the position regarding the use of underspends.
- make payments in advance of expenditure (where appropriate and necessary) in order to achieve better value for money.
- apply procedures that are consistent with the principles of good regulation and the need to provide effective protection of, and proper accountability for, public money.
- respect the sector's independence and its right to campaign, irrespective of any funding relationship that might exist.
- respond to the sector's need for greater financial stability to enable it to fulfill its full strategic role.
- improve sustainability and longer term planning by longer term funding so organisations do not spend disproportionate resources chasing new or renewed funding.
- recognise core costs and the need to contribute to these fully or partially.
- invest in the capacity of the infrastructure of the voluntary and community sector.

- promote fair access to strategic, project and contract funding and provide clarity in the objectives of funding opportunities and their eligibility criteria.
- ensure that proper consideration, and an appropriate response, is given to the needs of harder to reach groups that may have limited access to statutory funds.
- providing effective arrangements for co-operation within and between organisations over funding for activities that do not fit readily within one function's responsibilities in order to streamline procedures and reduce duplication.
- provide transparency and objectivity in administrative and assessment procedures.
- ensure clarity and greater consistency in funding conditions.
- consider a joint approach to monitoring and evaluation and ensure monitoring requirements are proportionate and focus on outcomes.
- give enough notice of the end of funding.

12. The Voluntary and Community Sector will:

- make sure they are eligible before applying for funding.
- have clear lines of accountability, especially with joint bids.
- agree terms of delivery at the outset and be aware of the risks for which they are responsible.
- have good systems in place to manage finances and funded projects and account for them.
- be honest and open in reporting.

- participate fully in consultation about funding programmes.
- strengthen partnership working to increase the funding available within Southend-on-Sea.
- plan in good time for different situations to reduce any potential negative impact on both beneficiaries and the organisation if funding ends.

The sector undertakes to pursue good practice in the use and administration of public funds appropriate to the scale of funding and operation covering:

- clear and effective employment policies, management arrangements and procedures.
- effective and appropriate systems for the management, control and accountability of finances.
- compliance (by organisations that hold charitable status) with the accounting framework for charities and appropriate guidance from the Charity Commission, including on political activities and campaigning.
- systems for planning and implementing work programmes.
- systems for monitoring and evaluating activities against agreed objectives.
- systems for quality assurance and accountability to service users, including complaints procedures and the involvement of users, wherever possible, in the development and management of activities and services.
- policies for ensuring equality of opportunity in both employment practice and service provision.
- public acknowledgement of support from the statutory sector.

Appendix 1 - Good Practice in Funding Applications

This Good Practice Checklist is designed for use by voluntary and community organisations when applying to the statutory sector for funding. We advise that you consider the following points.

1. The Legal and Constitutional Requirements

- Become a Registered Charity or a Company Limited by Guarantee. If not, have in place a formal constitution with clear aims and objectives which has been agreed by your members.
- Check that your constitution allows you to carry out the activities for which you are requesting funds.
- Ensure you are legally allowed to undertake the activities for which you are requesting funds.
- Decide if you are intending to lead or participate in the activity for which you are requesting funds.
- Have in place a clear management structure and clear lines of accountability.
- Consider being affiliated to a national governing body, where one exists.
- Be independent of public or private sector bodies.
- Ensure that your organisation, or the project for which you are requesting funds, is financially viable.
- Have available your most recent Annual Report and Audited/Approved Accounts.

- Demonstrate an understanding and commitment to equal opportunities.

Planning and Development

- Have accurate information available on your service users (individuals and groups), for example, full contact details, membership start and renewal date.
- Keep records of the social break-down of your users for example, age, ethnicity, gender, disability.
- Have in place an agreed Development Plan/Business Plan with clear objectives and annual targets based on identified needs.
- Carry out User Satisfaction Surveys on the services you provide.
- Involve your service users in the running of the organisation and consult them on the proposals set out in your grant application.
- Identify what you intend to do with the funding you have requested and how do you intend to measure what you have achieved with that funding.



The Local Area Agreement includes a commitment to work with the voluntary and community sector to strengthen the role of the sector

Policies and Procedures

- Ensure your objectives are in keeping with the objectives and eligibility criteria of the grant scheme and the objectives and priorities of the funder.
- Have in place policies and procedures, covering the management of the organisation and any project for which you are requesting funds. These are in addition to the issues highlighted in parts 1 & 2 above:
 - clear financial controls, including a policy on the holding of reserves.
 - guidelines for the management committee/trustee board, staff and volunteers that have been developed in accordance with the legislation on employment, health & safety, racial, sexual and disability discrimination, data protection.
 - quality standards.
 - the protection of children and vulnerable adults, including criminal record bureau checks on staff and volunteers.
 - a compliments, comments and complaints procedure.

The Local area Agreement:

The Local Area Agreement (LAA) is a key opportunity to put into operation the principles of partnership working embedded in the Compact. Community engagement and delivery by the voluntary sector are important elements in the development of the LAA. The LAA includes a commitment to involve the voluntary and community sector (VCS) and local people in helping to identify, shape and deliver local services and a commitment to working with the sector to develop and strengthen the role of the VCS

This document can be provided in other formats and translation of this document is also available.

A glossary of terms relating to Compacts can be accessed through the Compact web-site at: www.thecompact.org.uk

Further information on the Local Compact and a list of signatories to the Compact can be found on agencies web-sites including: www.southend.gov.uk

For further information, or to learn more about A Compact for Southend-on-Sea and The Codes of Good Practice please contact:

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