

# The Tendring Compact Funding and Procurement Compact Code of Good Practice

## 1. The Tendring Funding and Procurement Compact Code of Good Practice aims to...

- Set a framework for the financial relationship between the voluntary and community sector and the statutory sector; and
- Set out undertakings for both, based on what each can expect from each other.

The Code covers how programmes should be designed and delivered but it does not cover what is funded or who should be funded.

## 2. Who is the code for?

- 2.1 This code is for everyone in Tendring involved in the funding of the voluntary and community sector, whether distributing, applying for or receiving funding;
- 2.2 In funding organisations it is aimed at people developing programmes where voluntary and community organisations help deliver objectives, and at people administering these programmes, such as procurement, commissioning or grant officers;
- 2.3 In the voluntary and community sector, it is aimed at people applying for or managing external funding and contracts.

## 3. Principles of the financial relationship

<b>Principle</b>	<b>Explanation</b>
Focus on outcomes	The success of funding applications should be based on the achievement of outcomes.
Simplicity and proportionality	Processes should be as simple as possible and in proportion to the amount of money involved.
Consistency and co-ordination	Funders should endeavour to join-up parts of the funding or procurement process. This will minimise burdens on organisations and help to ensure a focus on delivery.
Timeliness	Allowing time for planning, decision making and action so they have real effect.
Transparency and accountability	Provide clear information and policies that allow informed decisions.
Discussion and dialogue	This helps build trust and can identify and overcome problems before they impact on the delivery of outcomes and help learning from previous work.
Empathy	Understanding each other's needs and requirements should help avoid problems and help achieve outcomes.

## **4. Undertakings of the voluntary and community sector**

- 4.1 The voluntary and community sector should contribute constructively to the design of funding programmes and focus their contribution on the needs of service users or beneficiaries;
- 4.2 When consulted be clear about whom they represent and how they came to their views;
- 4.3 Voluntary and community organisations should also consider what would happen if or when the financial relationship ends and plan for this at an early stage;
- 4.4 The sector needs to be aware of opportunities and should seek to understand the timescales and decision making process;
- 4.5 Make sure that they are eligible when applying for grants;
- 4.6 Recognise that there are competing demands for funds and that there may be more organisations applying than money available;
- 4.7 Recognise that the final decision rests with the funders;
- 4.8 Be clear about who is financially accountable, this is especially important with joint bids;
- 4.9 Agree terms of delivery at the outset and be aware of potential risks which they are responsible for;
- 4.10 Recognise that it is legitimate for funders to ask for public recognition of their funding by funded organisations in appropriate circumstances;
- 4.11 Have good systems in place to manage finances and funded projects; and account for them;
- 4.12 Be honest and transparent in reporting; and
- 4.13 Plan in good time to reduce any potential negative impact on both beneficiaries and the organisation if funding ends.

## **5. Undertakings of the statutory sector**

- 5.1 Provide whenever possible an opportunity for the voluntary and community sector to contribute to programme designs;
- 5.2 Promote funding opportunities widely and consider proactive approaches to encourage organisations to apply or become suppliers;
- 5.3 Information and forms should be clear and accessible and include all relevant information so that voluntary and community organisations can make an informed decision about whether to apply;
- 5.4 Policies and processes should be clear, transparent and honest;
- 5.5 Ensure the process is in proportion to the amount of money available;
- 5.6 Ask for information on application forms which is relevant to deciding who will receive funding or be awarded the contract;
- 5.7 Discuss risks up-front and agree lines of accountability;
- 5.8 Respect the independence and added value of the voluntary and community sector;
- 5.9 Recognise it is legitimate for voluntary and community organisations to include the relevant element of overhead costs in their estimates for providing a particular service;
- 5.10 Applicants should be kept informed of the process. Notification of decisions and reasons need to be timely to give adequate notice in advance of the expected date of setting up provision;
- 5.11 Conditions must relate to achieving the outcomes. Terms of delivery should be in proportion to the size of the grant or contract;
- 5.12 Make payments in advance of expenditure (where appropriate and necessary) in order to achieve better value for money;
- 5.13 Seek to implement longer term funding arrangements where these represent good value for money;
- 5.14 Be proportionate in monitoring requirements and focus on outcomes;
- 5.15 Whenever possible consider joining-up or standardising monitoring requirements; and
- 5.16 Give enough notice of the end of grants or contracts. This should be a minimum of three months.

[ENDS]