

Oxfordshire Compact: Funding Code

To be read in conjunction with the Oxfordshire Compact.

1. Introduction

- 1.1 In 2004 a wide range of statutory agencies and voluntary, community and faith (VCF) sector organisations operating in Oxfordshire, signed a partnership agreement known as the 'Oxfordshire Compact' (see www.oxfordshire.gov.uk for further information).
- 1.2 The Compact commits all partners to work together to develop the Compact and in particular to produce specific protocols in relation to:
 - Funding
 - Consultation and policy appraisal
 - Engaging organisations representing black and minority ethnic groups
 - Volunteering
 - Community Groups
- 1.3 This Funding Code is the first of the protocols and aims to:
 - Define clear arrangements for the allocation of funding by statutory bodies;
 - Simplify processes wherever possible
 - Set out expectations in relation to the use of public funds.
- 1.4 Funding arrangements fall into two broad categories:
 - Activities that provide community benefits (e.g. arts, environmental and sports projects)
 - Specific service outcomes that are commissioned (e.g. ring – a-ride etc)
- 1.5 The funding mechanisms are defined in section 5 below.
- 1.6 The Compact Steering Group will monitor the application of the Code and where necessary will recommend changes to 'Compact' partners.
- 1.7 The Compact already includes a number of commitments in relation to funding processes: these are not all repeated here but are nonetheless assumed to be part of this Funding Code.
- 1.8 The Compact recognises that successful funding relationships are based on an understanding of the needs of our communities, a shared commitment to outcomes, and the need to work together to define these.

2. Overview

Our shared commitments

The organisations adopting this code of practice will:

- 2.1 Aim to deliver quality services and value for money.
- 2.2 Maintain high standards of governance and conduct.
- 2.3 Recognise that there can be significant advantages to be obtained from support in kind for voluntary, community or faith (VCF) organisations and work together to maximise opportunities for such support.
- 2.4 Encourage the full involvement and access to funding of smaller organisations, faith groups¹, black and minority ethnic groups, and other socially excluded groups.
- 2.5 Recognise the principles of 'full cost recovery'² when making funding applications and evaluating requests. This will largely apply in relation to services commissioned from the voluntary sector rather than for projects supported by grant.

3. Statutory sector commitments

In addition to the shared commitments the statutory sector will:

- 3.1 Identify contacts, who will be grant specific, for funding-related issues for VCF organisations within each statutory sector body.
- 3.2 Make every effort to ensure that details of grant application and contracting processes are accessible and well publicised both electronically and on paper.
- 3.3 Consult the VCF sector in developing commissioning and procurement strategies which affect the VCF sector.
- 3.4 Work with infrastructure organisations to publicise procurement opportunities amongst VCF organisations
- 3.5 Draw on the support of infrastructure organisations to reach smaller and socially excluded groups with information about funding.

¹ A full description of 'faith groups' can be found in section 11 of the main Compact Agreement.

² 'Full cost recovery' can be defined as 'securing funding for or 'recovering' all your costs, including direct costs of the project and all your overheads. If you recover the full costs of a project, you get all the direct costs of that project, plus the relevant slice of the organisation's overheads so that there is no subsidy required in its delivery' (ACEVO). For more information see the guide and toolkit on cost allocation available for consultation in the OCVA Resource Centre. ISBN 0 9545652 8 2 Published by ACEVO.

- 3.6 Recognise that funding streams and the conditions attached may be interdependent and take this into account when making decisions about funding e.g. match funding arrangements.
- 3.7 Publish clear timetables for the funding processes with reasonable deadlines, recognising that if decisions are delayed this may have an impact on VCF staffing, accommodation and other commitments.
- 3.8 Develop clear guidelines and criteria about the funding available and how to apply for it.
- 3.9 Only request the information and supporting documentation that is necessary for assessing and awarding the funds.
- 3.10 Work to ensure that funding application forms are clear and straightforward to complete, drawing on best practice.
- 3.11 Offer alternative application methods for applicants who may require other formats (e.g. large print or electronic forms) or other languages.
- 3.12 Adopt an appropriate level of monitoring which is relevant to the grant / funding level and be clear about the purpose for which the information is required.
- 3.13 Publicise the support available from infrastructure bodies in completing applications and in finding alternative sources of funding.
- 3.14 Share best practice.
- 3.15 Establish feedback mechanisms to provide reasons for decisions on funding bids.
- 3.16 Avoid unnecessary delays in releasing the money once a grant has been agreed and advise the relevant parties if this situation occurs.

4. Voluntary, community and faith sector commitments

In addition to the shared commitments voluntary, community and faith sector organisations will:

- 4.1 Supply funders and partners with the necessary annual accounts and other reports as are required for monitoring purposes so that statutory bodies are able to account for the use of public funds. This will include providing separate accounts for each restricted fund or project as required by the Charities SORP (Statement of Recommended Practice) and a clear reserves policy in line with Charity Commission recommendations.
- 4.2 Meet the quality standards defined by law and / or agreed with the funders.

- 4.3 Seek funding from a variety of sources, recognising that no single funder is likely to be able to fund the totality of any organisation's costs.
- 4.4 Pursue value for money improvements in recognition of the efficiency targets set for the statutory bodies funding them.
- 4.5 Observe the guidelines of funding agencies and only apply for a grant to fund work that we believe fits those guidelines.
- 4.6 Ensure that the legal requirements for eligibility e.g. bank account with two signatories, constitution are fulfilled.
- 4.7 Use the grant only for the purpose stated and within the timescale agreed.
- 4.8 Acknowledge the support provided by the funder in an appropriate and mutually acceptable way.
- 4.9 Supply all monitoring information by the agreed deadline.
- 4.10 Advise funders and partners of any potential difficulties (in complying with the conditions of use of a grant) as soon as possible so that mutually acceptable solutions can be found.

In addition to the shared commitments the voluntary community and faith infrastructure organisations will:

- 4.11 Publicise the support services offered to the voluntary sector
- 4.12 Promote access to potential grant funding across the full range of voluntary and community sector interests, taking account of possible differences in awareness by local area; ethnicity; gender; other considerations; and in so doing help to safeguard the needs of small groups at risk of exclusion.

5. Funding Mechanisms

- 5.1 Grants - these are payments for either specific piece of work or in some cases ongoing work. They will be awarded on the basis of the proposed outcome(s). These are expected to link into the funder's priorities but may offer innovative and unproven ways of meeting those priorities. Where the grant is for a one-off activity, it is unlikely that any organisation will have a grant renewed year on year for the same piece of work although it may be awarded another grant for a different project. To find out more about the grants available to you and the processes used by the statutory bodies across Oxfordshire please refer to '*A Guide to Funding Opportunities in Oxfordshire*' which can be found on the websites of each Council.

- 5.2 Service Level Agreements (SLAs) - these are less formal agreements that provide a framework for all parties on areas such as service specification, delivery and quality standards. SLAs also provide an agreed structure of joint responsibilities and communication channels to aid the development of robust working arrangements between the funder and the organisation receiving the support.
- 5.3 Contracts - these will generally be used when the award of the work is subject to formal tendering arrangements, details of which will be contained in the Financial Regulations of the funding organisation. For further information on contract arrangements please refer to each local authorities websites (*Selling to the Council*' Guide) or telephone the local authority and ask to speak to their officer responsible for procurement. For information from other statutory bodies such as the Police, LSC and NHS please refer to the relevant sections of their websites.
- 5.4 Guidance containing the issues for all parties to consider in relation to bidding/ negotiating for funding has been jointly developed and appears as an appendix to this Code.

Further information about the Oxfordshire Compact can be found by logging on to www.oxfordshire.gov.uk, emailing compact@oxfordshire.gov.uk or by contacting a Steering Group member:

Oxfordshire Council for Voluntary Action

The Old Court House, Floyds Row, St Aldates, Oxford, OX1 1SS
01865 251946

Banbury Council for Voluntary Service

27 Horsefair, Banbury, Oxon, OX16 7TN
01295 279515

Age Concern Oxfordshire

St Edmunds House, 39 West St. Helen Street, Abingdon, OX14 5BW
01235 849400.

Oxfordshire Council of Disabled People

35 Leopold Street, Oxford, OX4 1TW
01865 792226

Oxfordshire Rural Community Council

Jericho Farm, Worton, Witney,
01865 883488

Churches Together in Oxfordshire

The Right Reverend the Bishop of Dorchester, Arran House, 12 Sandy Lane,

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Yarnton, Kidlington, Oxon, OX5 1PB
01865 375541

Oxfordshire County Council

The Communities Team, Chief Executive's Office, County Hall, New Road,
Oxford, OX1 1ND
01865 810133

[Oxford City Council](#)

Strategy & Review Unit, Town Hall, St Aldates, Oxford, OX1 1BX
01865 252509

[Vale of White Horse District Council](#)

Assistant Director, Benefits Service, Abbey House, Abingdon, OX14 3JE
01235 540327

[South Oxfordshire District Council](#)

Partnership Officer, Benson Lane, Crowmarsh Gifford, Wallingford, OX10
8HQ
01491 823705

Oxfordshire Joint Partnership Unit (Oxon NHS & Social Care)

Yarnton House, Rutten Lane, Yarnton, Oxfordshire, OX5 1LP
01865 854457

Appendix 1

Guidance for negotiation

It is expected that funders will adopt a consistent approach between different organisations doing similar work. The Funding Code provides a framework for relationships between funders and voluntary, community and faith sector organisations. However each contract or SLA will require careful negotiation and the following checklist is provided as an aid to both sides in negotiations to ensure that key points are not missed. It is not assumed that all of the factors below are relevant in every case but it will be useful to check that both sides agree whether points do have relevance in the context of the negotiations in hand.

If the funding is being provided under contract which is let by competitive tender VCF organisations will need to ensure they have reflected on the points below in submitting their bid.

- Level of funding: this needs to be sufficient to meet the costs of delivery the service at a satisfactory level.
- Duration of funding.
- Renewal arrangements.
- Latent redundancy liabilities etc.
- Staffing levels: given the tight budgets of many voluntary groups, guaranteed cover for all holiday or sickness may not be possible.
- Insurance: charities are not allowed to take out trustee indemnity insurance without the agreement of the Charity Commission.
- Media relations: it could compromise the independence of a voluntary group if they were required to check first with the funder and agree a joint response to any media enquiries.
- Criminal Record Bureau checks: when these are appropriate, it should be a contractual requirement that the voluntary agency gets them done and takes appropriate steps in response. Funders may be able to offer support in this. However, it should not be expected that the results of individual CRB checks are shared with the funder, or that the funder decides what response is required (and whether the candidate can be employed) when convictions are reported on disclosures. Although CRB checks may appear as a standard requirement in the contract, they may not be necessary for all staff depending on the nature of the service being provided.
- Documentation: it may not be appropriate for staff of the voluntary group to use documents such as confidentiality forms provided by the funder if their own systems are adequate.
- Quality assurance: a voluntary group may wish to adopt a specific system that it judges the most suitable for its needs, rather than a system imposed by the funder.
- Fidelity guarantee: may be requested but felt to be unnecessary by some organisations with robust governance in place.