

**FUNDING:**

**A CODE OF GOOD PRACTICE**

**SEPTEMBER 2002**

**Worcestershire  
County Council  
Social Services**

**Worcestershire  
Association of  
Voluntary  
Organisations  
in Community Care**

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## **1. Purpose of the Code**

- 1.1 This Code of Practice sets out the framework and arrangements for Social Services funding of the voluntary sector.
- 1.2 The Code recognises the key role of the SSD in helping to establish financial stability for the voluntary sector through contributing funding and other support. Without this the ability of the voluntary sector to provide social and community support which complements SSD services will be significantly reduced.
- 1.3 The Code takes forward the principles of partnership working agreed between the SSD and the voluntary sector in the Worcestershire Protocol which was signed in June 2002 and sets out how the funding undertakings in the Protocol will be progressed.

## **2. Scope and Application of the Code**

- 2.1 The framework and arrangements set out in this Code cover:
  - notifying funding opportunities to the voluntary sector.
  - inviting applications/bids for funding.
  - processing applications/bids and allocating funding.
  - developing, monitoring and reviewing funding agreements.

## **3. Planning Context**

- 3.1 Social Services funding of the voluntary sector will take place within the overall context of health and social care commissioning arrangements in Worcestershire.
- 3.2 Under these the SSD will work in partnership with Primary Care Trusts (PCTs) and the voluntary sector through Strategic Partnership Boards (SPBs). SPBs will identify strategic and operational objectives and priorities for service groups which reflect the Government's Comprehensive Spending Review and related national requirements and guidance.
- 3.3 In line with this the SSD will publish service group commissioning strategies and purchasing plans. These documents, covering 3 year periods with annual updates, will identify the range and value of services to be purchased in each area and the funding opportunities arising from either
  - new/additional funding or
  - realignment/reletting of existing funding.

- 3.4 Funding opportunities may be commissioned/purchased either by the SSD or jointly between the SSD and a PCT.
- 3.5 In addition to funding opportunities arising from published Commissioning Strategies and Purchasing Plans, the SSD will, from time to time, notify the voluntary sector of one-off or similar limited term funding opportunities. These will mainly result from Government funding (including grants) for specific targets/purposes and from ad hoc requirements arising from SSD operational requirements or funding opportunities.

#### **4. Undertakings by the SSD**

- 4.1 Procedures relating to voluntary sector funding will be clear, transparent, open and equitable at all stages from notification of funding opportunities to final allocation. Procedures will be in line with the Code of Good Practice on Consultation and Involvement.
- 4.2 Funding will be allocated in line with the published priorities of the SSD and its partner agencies.
- 4.3 Arrangements for notifying funding opportunities and allocating funding will not unfairly exclude any part of the voluntary sector.
- 4.4 The independence of voluntary organisations will be unaffected by a funding relationship with the SSD.
- 4.5 In allocating funding the SSD will take into account the voluntary sector's need to cover "core" costs.
- 4.6 The SSD will ensure that all its staff are aware of, and work in accordance with, this Code.

#### **5. Undertakings by the voluntary sector**

- 5.1 The voluntary sector will:
- be fully accountable for funding received from the SSD.
  - maintain accounting and monitoring systems that are effective and open to scrutiny.
  - act in accordance with the requirements of any Contract or Service Agreement or Funding Agreement letter jointly entered into with the SSD.

#### **6. Monitoring the Code**

- 6.1 At quarterly business meetings held in accordance with the Worcestershire Protocol, the SSD and the voluntary sector will consider and discuss how the principles, undertakings and standards of this Code are being actively taken forward and further developed.

## **7. Arrangements for applying or bidding for funding and for allocating funding**

7.1 Where either (a) a commissioning strategy/purchasing plan identifies funding opportunities for the voluntary sector (3.3 above) or (b) the SSD notifies a “one-off” funding opportunity (3.5 above) the SSD will, in the strategy/plan/notification or subsequently, make the following information available to the voluntary sector;

- the source of funding
- the purpose of funding
- arrangements for applying or bidding for funding including details of application/bidding dates, contact person(s) and decision making timetable.

## **8. Documentation**

8.1 The SSD will work with partner agencies towards developing standard application/bidding documentation. The use of electronic format will be considered but will take into account the need to ensure that the voluntary sector is not disadvantaged.

8.2 Documentation will clearly indicate;

- when and to whom applications/bids must be returned. Adequate time will be allowed between the availability of application/bidding documentation and the deadline for its return;
- the criteria for considering applications/bids and allocating funding;
- any costs which are to be specifically excluded in estimated expenditure;
- any supporting information to be submitted with the application/bid.

## **9. Consideration of Applications/Bids**

9.1 Applications/bids will be assessed, and funding allocated, against the criteria notified in the documentation. Organisations applying/bidding for funding will be notified of the outcome of the application/bid. Except in formal bidding/tendering situations under the SSD’s Procurement Code and Standing Orders, organisations will normally be given, within 5 working days of the decision, an explanation of the reasons why an application/bid has been refused at the stage of consideration by officers and advised of any opportunity to challenge the decision.

## **10. Funding Agreements**

- 10.1 For all funding above a specified annual amount (currently £5,000 per annum) it will be a condition of funding that the organisation enters into a Service Agreement with Worcestershire County Council using standard SSD documentation. The Service Agreement, which will be signed by both the Council and the organisation, will set out the purpose of funding, service to be provided and arrangements relating to quality assurance, service user involvement, monitoring and review and other relevant issues. Additionally the Service Agreement will set out how and to whom payments will be made and who to contact in the event of query.

For all funding below the amount specified above it will be a condition of funding that the organisation signs a Funding Agreement letter with the Council. The letter will set out the proposed funding, amount to be paid, how payments will be made and any further information about the service required from the organisation.

## **11. Duration of Funding/Notice Periods**

- 11.1 Funding will normally be allocated for periods of 1 – 3 years with a notice period of 3 months. In assessing the duration of funding the SSD will normally enter into longer term Service Agreements (i.e. up to 3 years) where this is consistent with the plans and strategies of the SSD and partner agencies; with Best Value principles; and with the Procurement Code and Standing Orders of Worcestershire County Council.

## **12. End of Agreement Reviews**

- 12.1 Within 6 months (or 3 months for agreements of 12 months or less) of the end of any voluntary sector funding the SSD will undertake a review of the need for the service and options for future provision of funding. The review will be undertaken using Best Value principles and, following the review, the organisation receiving funding will be given as much notice as possible of the SSD's future intentions.
- 12.2 Where funding is not to be continued the notice required in any existing Service Agreement will be the minimum given. In ending or reducing funding the Council will take into account both the moral and legal obligations of the organisation towards its staff and service need and will work with the organisation to address these issues.

## **13. Financial Reporting**

- 13.1 The financial reporting requirements set out in any Service Agreement or Funding Agreement letter will be in proportion to the amount of funding, and the size of the organisation. They will be consistent with the organisation's other reporting requirements, such as those of the Charity Commission.

13.2 The organisation will undertake to keep accurate accounting records at all times during the life of the funding.

**14. Monitoring and Review**

14.1 The monitoring and review requirements set out in any Service Agreement or Funding Agreement letter will be clear, fair and consistent.