

APPENDIX 5

Funding Code of Practice - Suggested Changes Following Consultation

The application form

- Provide training and/or clear instructions as to how to fill in the form.
- Provide a glossary of terms.
- Provide more space in the boxes in the form.
- Smaller application form for smaller organisations to help reduce the amount of bureaucracy.
- The checklist asks for a copy of the constitution, what about organisations that don't have these? Could change it to 'statement of purpose'.
- Care must be taken in interpreting the 'healthy bank balance' as organisations should hold 4-6 months of operating costs in reserve.
- Need to ask about the turnover of the organisation.
- Project costs need to make it clear if they are for core or project funding. Could also given them some basic headings such as rent, wages, promotional costs, admin.

Service Level Agreement

- Numbering on the SLA document will need correcting (two 21s, no 31).
- Point 21 'Abuse' change wording to 'protection from abuse policy'.
- Change police checks and DoH checks to CRB checks.
- Quality assurance needs to be clarified and appropriate to the level of grant.
- Rights of access to organisational information change to 'relevant information'.
- Request for policy and procedures need to be appropriate e.g. an organisation that doesn't work with young people may not need a child protection policy, whereas other organisations that have staff and volunteers working with under 18 year olds need to have CRB checks. This also needs to be made clear in the terms of reference.
- Refer to funding in the SLA / terms of reference as 'for restricted purposes' which should ensure that even core funding is applies for the purpose intended.

General suggestions

- Promotion of grants should not be costly / glossy.
- Once a year grant regime doesn't allow for flexibility. Could change to 4 times a year?
- Need to decide who be on the panel that make the decisions about grant approval.
- The Panel needs to have knowledge of voluntary sector issues, therefore could include a representative from the CVS on the panel.
- Need to offer feedback or a further opportunity for applicants who are unsuccessful and do not meet the criteria.

For consideration

- Grants to be paid in advance of expenditure or once expenditure has occurred?
- Need to clarify that the Community Strategy is the Darlington Partnership priorities, not just the Council.
- Need to clarify if there is a maximum limit that the Council will support in grants (does this include the Council's other grants such as rate relief?).
- Organisations need to understand equal opportunities not just have a policy.
- Do we need a separate form / process for individuals who apply for funding?
- Change funding from 3 years to 5 years.
- 3 year grants should make allowance for grant to be increased over the term.

- If three-year funding is to be used to encourage long term planning, then it should contain an element of guarantee for the future income in the event of the need to cut back. This would be preferable to the single option of sudden death; e.g. some such agreements contain a guarantee of a minimum of 60% funding in the next year.

Comments on the Consultation Paper – Voluntary Sector Funding (Provided by the CVS)

Comments in italics – added by Shân to incorporate comments from other organisations

General

Several groups were unhappy that even if the paper had gone out on its planned date in August, the original deadline of 20th September did not allow adequate time for groups to meet for detailed discussion and consideration of the contents, format and implications of the proposed structure.

Opinions differed greatly over how easily the form would be to fill in. Training and/or clear instructions as to how to fill in the form may be needed. Some were concerned that the proposed bureaucracy may be overtly burdensome and off putting to smaller organisations.

The form would need more space in most of the boxes and a glossary of terms. Also the numbering on the SLA document will need correcting (two 21s, no 31).

Several groups felt that making more organisations aware that funding is available is much needed. However, the cost of making the information available should be kept to a minimum, e.g. a letter instead of a glossy brochure.

Questions and suggestions

How will the new funding arrangements affect charities with shops that receive mandatory or discretionary rate relief?

Who or what body makes the decisions about fund allocation from the Council's Community Strategy pot? *And what is their knowledge about the issues facing the voluntary sector?*

On the Application form in section 7 'Checklist – 1) A copy of your constitution'. What about organisations that don't have a constitution? Would 'Statement of purpose' be a better heading?

SLA agreement point 21. 'Abuse'. Would 'Protection from abuse policy' be a better heading?

May be useful to refer to funding in the agreement as 'for restricted purposes' which should ensure that even core funding is applies for the purpose intended.

The question asking if the organisation already receives funds from the Council needs to clarify if there is a limit beyond which applications will not be considered.

Quality assurance needs to be clarified and appropriate to the level of grant.

Rights of access to organisational information should be 'relevant information'.

How does this relate to individuals who apply for funding?

Distinction needs to be made on the size of organisation (turnover in proceeding year), whether the funding is for core of project funding and whether the applicant also receives funding for contracted services.

Comments on specific aspects of the protocol

Short term funding

There are two consequences of focussing on short term funding.

- Organisations' inability to plan longer term.
- Organisations who have employees and therefore carry larger reserves to cover the risk of curtailment have to tie up funds that could otherwise be used for delivery of services.

A minimum of 5 years with annual reviews would be preferable to 3 years.

Funding code of practice key points

While accepting the need for procedures for the proper accountability of public funding, it must be remembered that one thing the Voluntary sector can do is operate pilot activities with a higher risk level than the statutory sector because if the projects go wrong, it can change course quickly. Procedures must allow for this level of risk in the interests of service development.

While a formalised timetable for funding is more manageable, there needs to be flexibility too. The new application process and monitoring of projects might stifle flexibility.

Improving Stability

'Stability' must not be a synonym for stifling growth. Three-year funding must allow for the grant to be increased over the term, given adequate justification.

Termination

If three-year funding is to be used to encourage long term planning, then it should contain an element of guarantee for the future income in the event of the need to cut back. This would be preferable to the single option of sudden death; e.g. some such agreements contain a guarantee of a minimum of 60% funding in the next year.

Formalised timetable

While good for the bureaucracy, this would not be good for flexibility. Governments want the Voluntary sector on board because it can respond to change and quickly provide new solutions to urgent problems. This is not possible through a once-a-year grant regime.

There were some fears expressed that consolidating and making the grant allocation process more formal will also make it easier to cut.

Alignment to Council priorities and Community Strategy themes

A commonly agreed basic structure is welcome but not a straitjacket. Some of the best progress comes from innovative ideas from 'outside the box'. There must be room for these activities to be encouraged *and allow some flexibility*.

Rationalisation of the present system for funding applications can be beneficial to applicants provided that the grants are seen to be awarded on a basis that is fair and benefits those most in need.

The proposal appears to be an attempt by Darlington Borough Council to have more control over the activities of the Voluntary sector.

It is important to look at the support given to smaller voluntary groups who may not meet the local authority's priorities but provide an invaluable service to the community.

There is a need for a mechanism for an open dialogue between the local authority and the Voluntary sector.

Need to offer feedback or a further opportunity for applicants who do not meet the criteria.

Interpreting a 'Healthy Bank Balance.'

Care must be taken in interpreting the 'healthy bank balance' stipulation mentioned in the Proposed Grant Criteria. The practice, as recommended by the Charity Commission, of holding 4-6 months of operating costs in reserve may make the accounts of a good organisation with short term funding look healthy. This should *not* be held against them when considering the question, 'Is it appropriate for this organisation to receive funding?' because the funds that they have are already spoken for and cannot be used to provide projects or services.

Management Structure

Having a good structure is not an adequate measurement. The structure must be filled with competent people who can deliver good value for money. How will this be evaluated?

Jointly agreed performance indicators and targets

These have to be flexible.

Arrangements for payment

These must be on time and in advance of expenditure.

Policy and Procedures

Organisation needs to understand equal opportunities, not just have a policy e.g. access audits.

Police checks and DoH checks should read CRB checks

Will there be support available to help organisations put all the relevant procedures in place?

Request for policy and procedures need to be appropriate e.g. an organisation that doesn't work with young people may not need a child protection policy

Organisations that have staff and volunteers working with under 18 year olds need to have CRB checks.

Respondents to Funding Protocol document from CVS provided by Helen McAlister

J F De Martino

Darlington Lions Club

Dr J Elliston

Darlington Housing Action

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| Mrs M Cree | Advocacy |
| Maria Hammond | The Carr-Gom Society |
| Ms Shiona Farrell | Darlington Bond Scheme |
| David Hall | Darlington MIND |
| Tony Baldock | 14 th Darlington Scout Group |
| Pam Dixon | Fibromyalgia Support Group |
| Karen Grundy | First Stop Darlington |
| Bill Cook | Firthmoor & District Community Association |
| I J Archibald | Darlington & District Model Boat Club |
| Chris Close | Advocacy in Darlington Ltd |
| Nicola Paterson | Reflections Resource Centre |
| Alan Masheder | St Mary's Community Association |
| Karen Wilkinson-Bell | Relate North East |
| Geoffrey Crute | Age Concern Darlington |

Also had responses from the following;

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| Mrs Gill | Advocacy in Darlington Ltd |
| Sue Davidson | Youth Service, DBC |
| Darlington Association on Disability | |