

# DERBYSHIRE COUNTY COUNCIL

## Voluntary and Community Sector Funding Policy 2007-2009

June 2007

Derbyshire County Council  
Voluntary and Community Sector  
Funding Policy 2007-09

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## 1. Introduction

The voluntary and community sector (VCS) in Derbyshire has a key role to play in delivering social, economic, health, environmental and cultural services that help improve the quality of life of many local people and supporting Derbyshire County Council's vision:

***“To improve life for local people by delivering high quality services”.***

**In Derbyshire the Voluntary and Community sector includes not for profit organisations drawn from the community and users of services who work towards achieving benefits for the community. These organisations could be involved in any number of activities including; provision of services, self help and advocacy, campaigning and services to other VCS organisations.**

We recognise the contribution that the voluntary and community sector makes with their wide range of skills and experience and are committed to developing and improving the way in which we work in partnership with the sector as a whole.

Following a review on the administration of grants of the voluntary sector which made a number of recommendations, we are seeking to improve the way in which we support the sector. This policy has been developed in consultation with county council departments and representatives of the sector. An extensive consultation exercise was undertaken throughout Derbyshire which has informed the development of this final document.

The county council has already developed and agreed a Compact for Derbyshire in consultation with voluntary and community groups which sets out a number of key principles that we intend to follow. These principles along with those set out in the National Compact Funding Code of Good Practice are the foundations on which we have developed this corporate Policy Framework. The Policy covers all council funding to the voluntary and community sectors with the exception of funding that the council administers on behalf of other organisations. The National Compact Funding and Procurement Code of Good Practice (March 2005) can be downloaded from the following web site link <http://www.thecompact.org.uk/>.

The development of this Policy is seen as the first step in formally setting out the Council's approach to the administration of funding to the voluntary sector. By moving towards an explicit Policy framework we recognise that there will inevitably be a shift in the distribution of resources within the local voluntary and community sector over the next few years. However any changes will be introduced on an incremental basis.

The Policy provides a framework for the distribution of funding under the programme for 2007 – 2009 and sets out:

- the principles that we will be promoting and applying to our activities
- the aims and objectives of the voluntary and community sector funding policy

- how we will identify the key priorities that we wish to support
- the types of funding that we hope to make available
- the process for developing application and assessment procedures
- how we will monitor and evaluate the framework

Whilst changes to the way in which we operate will largely take effect in the medium term, there will be implications in the short term for organisations accessing funding.

## 2. Principles

In developing this policy framework, we have and will continue to promote the following principles identified within the Derbyshire Compact:

- ❖ **Volunteering** is an essential component of a democratic society
- ❖ An **independent, inclusive and diverse voluntary and community sector** is fundamental to the well being of society.
- ❖ In the development and delivery of public policy and services, the statutory sector and the voluntary and community sectors have **distinct but complementary roles**.
- ❖ There is **“added value” in working together** towards common aims and objectives. **Meaningful consultation** builds relationships, improves policy development and enhances the design and delivery of services and programmes.
- ❖ Each sector has **different forms of accountability** and is **answerable to a different range of stakeholders and each other**. But there is a common need for integrity, objectivity, accountability, openness and honesty, respect and effective leadership.
- ❖ Voluntary and community organisations **should be free to campaign** within the law in order to advance their aims.
- ❖ The need for the statutory sector to allocate adequate and appropriate resources to the voluntary sector is recognised. These include **funding, advice and other support mechanisms**. They are important elements of the relationship between sectors.
- ❖ **A commitment to promoting equality of opportunity and recognising diversity**, and good relations between the diverse groups within our community. We will administer funding to the voluntary and community sector in a manner free from discrimination and prejudice and in doing so aim to meet the needs of all members of our communities.

### 3. Aims and objectives

The key **aims** of the corporate funding policy are to better coordinate the financial support provided to the voluntary and community sector and to improve and strengthen partnership working between the council and the sector as a whole:

We hope to achieve the above aims by meeting the following **objectives** which are:

- to ensure that funding the county council provides to the Voluntary and Community Sector is better aligned to the authority's key priorities
- to fund and support partners where this is the most effective way of delivering a service, responding to social, economic, health, environmental and cultural need, subject to agreed priorities and guidance from central government and the availability of resources
- to develop procedures that are consistent with the principles of good regulation and which provide effective protection of, and proper accountability for, public money
- to develop clear, consistent and transparent administrative, assessment and decision making processes
- to make information and applications easily accessible and clear
- to improve effective cooperation between different departments where different council departments are funding the same organisations
- to improve sustainability and longer term planning for example by offering multi-annual funding of up to three years where it is prudent and practical to do so
- to develop how the authority better invests in the capacity of voluntary and community sector infrastructure in the county.
- to respect the voluntary and community sector's independence and its right to campaign irrespective of any funding relationship that might exist
- to acknowledge and respond to the sector's need for greater financial stability to enable it to fulfil its full strategic role
- to recognise the need for core costs to be met
- to acknowledge that partners in the voluntary and community sector have a responsibility to offer reasonable terms and conditions of employment
- to adopt monitoring and evaluation procedures which are commensurate with the level of funding on offer and are simple and efficient, keeping the resource burden for VCS organisations to a minimum.

- to ensure that organisations providing both county wide and localised services have equal access to funding.

#### 4. Key priorities

One of the key objectives of the Policy is to ensure that the funding the county council provides to the voluntary and community sectors is better aligned to the authority's key priorities.

The Council Plan for the authority covers the period 2005-2009 and was developed following consultation with the public and key stakeholders about the council's priorities. The Council Plan is available to download at [http://www.derbyshire.gov.uk/council/policies\\_plans/council\\_plan/](http://www.derbyshire.gov.uk/council/policies_plans/council_plan/)

Alternatively a hard copy of the document is available on request from Call Derbyshire contact centre on 08 456 058 058

Organisations seeking funding from the council will need to demonstrate how they meet the values, goals and key priorities identified within the Council Plan. In addition to demonstrating how projects meet the council's key priorities, applicants will need to address additional criteria. Details of key priorities and criteria used to assess applications for financial support will be published. We will also make sure that we consult with the sector over any proposed changes.

#### 5. Funding

The principles outlined within this policy apply to all financial support provided to the voluntary and community sector from the county council. We will also try to ensure that we apply these principles to funding that we administer on behalf of other organisations, but recognise different funding procedures and conditions.

The county council itself currently offers a mix of funding to the voluntary and community sector. The types of funding on offer are dependent upon the source of the grant aid and the key priorities attached to the source, however the following range of funding is likely to be available:

- ❖ strategic funding
- ❖ development funding
- ❖ annual project funding
- ❖ small grants
- ❖ contracts for service delivery

Each year we will publish a list of funding streams supported by the council and wherever possible the amounts of financial support available by source. We will also provide information regarding procedures and regulations regarding the application for multiple grants and cross-departmental funding. We will also publish a list of

those voluntary and community sector organisations that have received financial support from the county council at the end of each financial year.

## 6. Application, assessment and monitoring procedures

The following standards will be applied to application, assessment and monitoring processes. In developing these standards we have followed guidelines outlined in the current Compact Funding Code of Good Practice.

### Fair access to funding

The application and tendering process covers arrangements for inviting funding applications and tenders. The county council promises to promote fair access to funding by:

- Giving adequate notice of new programmes before the application process starts
- Making details widely available with targeting of certain socially excluded/seldom heard groups, with limited access to public funds
- Encouraging joint bids to boost access to funding, partnership working (including capacity), value for money, project viability or client benefit
- Making clear what new money is available so that new and currently unfunded organisations are encouraged to apply
- Ensuring consistency and co-ordination in information provided by different parts of the county council
- Providing signposting to information on development support for organisations whose infrastructure for accessing funding is weak
- Regularly reviewing systems in place for ensuring fair access to funding with the voluntary and community sector

### Funding processes

The county council provides a range of funding in the form of grants and contracts to the voluntary and community sector and will ensure that revised funding processes will be:

- Clear on programme objectives, available funding and eligibility
- Proportionate to the needs of both the funding programme and likely applicants
- Simple, streamlined and standardised with common features used by other funders
- Accessible, with funding packs and application documents available in both hard copy and electronic formats, with electronic application form completion and return available to applicants if required. In addition a timetable of deadlines will be issued and updated regularly in consultation with the voluntary and community sector
- Advertised widely within the county
- Consistent with good practice on application forms

## Assessment processes

In assessing applications for funding and tenders the county council will ensure that all assessment procedures:

- Operate clear, transparent and objective assessment processes
- Ensure an appropriate assignment of risk between funder and applicant
- Ensure that the assessment process complies with Compact principles to uphold the sector's independence and its right to campaign irrespective of any funding relationships

## Notification of funding decisions

We will give appropriate notice, in line with the Funding and Procurement Compact Code of Good Practice. This will be a minimum of three months at the end of any grants or contracts or where a reduction is proposed to a future annual grant. This notice will enable voluntary and community organisations to fulfil their duties as good employers and to prepare alternative plans.

Below are **examples** of proposed periods of notice although notice will be given dependant on specific circumstances:

- A minimum of 12 months for three year agreements
- 12 months notice where organisations have been in receipt of annual funding over a significant number of years
- One-off grants would be given on the basis of no expectation of further funding

In addition, when notifying applicants of decisions to support particular projects/programmes, the county council promises to:

- Make every effort to follow published deadlines for making decisions on bids received
- Use standard funding conditions broadly consistent across departments and with other funders which are kept to a minimum and are proportionate to the funding stream in question
- Publish a list of those voluntary and community sector organisations that have received financial support from the county council at the end of each financial year
- Provide feedback to unsuccessful applicants

## Payment arrangements

In supporting projects/programmes the county council will:

- Recognise that it is legitimate for voluntary and community organisations to include relevant elements of overhead costs in their estimates for providing a particular service
- Make regular payments by agreed dates

- Make payments to organisations in advance of expenditure, rather than in arrears (where appropriate or necessary) in order to achieve better value for money
- Implement longer term financial arrangements where these represent good value for money.
- Payment can be made either by bank automated clearing system (BACS) or by cheque.

## Monitoring and evaluation

The county council is committed to undertaking meaningful evaluation of projects/programmes that it funds. A monitoring system will be developed based on the 2001 census categories. Criteria will be introduced into the conditions of funding so that the recipients of funding carry out monitoring to enable the impact on the ultimate beneficiaries to be measured. This will include ReGARDS groups where relevant. In doing so the county council undertakes to be:

- Proportionate to the size of funding, size of project and perceived risk in monitoring projects and to focus on outcomes
- Sensitive to the aggregate monitoring burden where other funders are involved and wherever possible agree on appointing a lead funder for monitoring and evaluation
- Collaborative, by working with organisations, using their own data to guide the monitoring and evaluation process
- Innovative in using the results of monitoring and evaluation to improve the overall funding process

## Concluding a financial relationship

In concluding a financial relationship, the county council undertakes to:

- Give appropriate notice of the end of grants or contracts to enable voluntary and community organisations to fulfil their duties as good employers and to prepare alternative plans
- Provide support and advice to those organisations who find themselves unable to meet any new requirements for funding
- Assist organisations who do not achieve funding by helping in identifying, or signposting to other organisations that can help identify, other potential funding streams

## 7. Evaluation

We will monitor the effectiveness of the policy through survey and small focus groups with successful and unsuccessful applicants. Consultation will take place with an organisation from each of the ReGARDS groups.

We will then undertake a major review of the Policy in consultation with the voluntary and community sector. This will then inform the development of the policy from 2009 onwards. Work on this will commence in 2008.

## 8. Where to find out more

This is the first corporate Policy on the provision of support to the voluntary and community sector that the county council has produced and we would very much welcome your views and comments on how it could be improved.

If you would like to discuss any aspect of the Policy, are interested in participating in future consultation exercises or just require further information then please contact:

Policy and Research  
Chief Executive's Office  
Derbyshire County council  
County Hall  
Matlock  
Derbyshire DE4 3AG

Telephone: 01629 585359  
Fax: 01629 585250

Please tell us if you need this document in large print, on audio tape, in Braille, in a community language or an alternative format by contacting the Call Derbyshire contact centre:

Telephone: 08 456 058 058  
E-mail: [callcentre@derbyshire.gov.uk](mailto:callcentre@derbyshire.gov.uk)