

1. Funding and Commissioning

Introduction:

The Trafford Partnership is committed to improving public services, achieving sustainable economic growth, protecting and sustaining a high quality environment and ensuring that everyone has the opportunity to benefit from and contribute to an improving quality of life.

An effective and equitable working partnership between statutory, voluntary and community sectors is key to achieving these ambitions. Trafford Partnership recognise the diversity of the VCS (Voluntary and Community Sectors) in Trafford and of partners ability to procure services.

In addition Trafford Partnership acknowledge that there is a growing amount of work being commissioned with the VCS. The Trafford Partnership recognises that voluntary and community organisations can bring added value to funding and contract relations through the ability to lever in additional resources and the contributions made by committee members and volunteers.

Voluntary and community groups in Trafford are increasingly expected to work in a funding environment that is complex and competitive, where there is greater expectation for performance monitoring, cost and value.

Both the statutory and the voluntary and community sectors are realistic about the financial constraints within Trafford, in particular the lack of major external funding streams, which means we need to have a fresh approach.

This Code has been developed using the national Compact, other local compacts as well as local research and consultation giving it a Trafford context.

This Code of Practice on Funding and Commissioning is a document that, as partners, we can all use to make a real change. The Code challenges current practice and champions a better way of working for the benefit of all our communities. Together we will make it happen.

The Trafford Partnership support the following principles that feature in the National Compact Code of Practice on Funding and Procurement.

The following principles should apply at all stages of the financial relationship.

- **Focus on outcomes** – the achievement of outcomes should be used as a key indicator of the success of funding.
- **Simplicity and proportionality** – processes should be as simple as possible and in proportion to the amount of money involved.
- **Consistency and co-ordination** – funders and purchasers should endeavour to join-up or standardise parts of the funding or procurement chain to minimise burdens on organisations and ensure a focus on delivery.
- **Timeliness** – allowing time for planning, decision making and action so they have real effect.

- **Transparency and accountability** – allowing informed decisions about spending priorities to be made and for both statutory bodies and the VCS to learn from previous work.
- **Discussion and dialogue** – this helps build trust and can identify and overcome problems before they impact on the delivery of outcomes.
- **Empathy** – understanding each other's needs and requirements should help avoid problems and help achieve outcomes.

In addition to the above national principles: Trafford Partnership endorse the following values in improving the delivery of services through more effective and appropriate grant funding, procurement and commissioning practice:

- Early Involvement in VCS grant funding, procurement and commissioning processes
 - Market analysis to ensure best use of resources based on community needs assessments and informed where possible through service user involvement
 - Trafford Partnership members need to understand better when it is appropriate to offer contracts to VCS organisations, when investment is required, and when they should be offering grant funding.
 - Sharing of risk within all funding relationships to alleviate risk to one partner
 - Full cost recovery to be central tenet of all funding processes
 - Sustainable funding over three or five year periods where possible.

Purpose:

This Code of Practice sets out the basic commitments for Trafford Partnership and VCS organisations to develop effective relationships to build on best practice and allow us to work to the benefit of our communities.

The code does not cover what should be funded or by whom but recognises the diversity and developing nature of the VCS in Trafford.

The code seeks to enable positive change through collaboration and sharing of knowledge and where appropriate budgets to meet the needs of our communities building world class service delivery.

Definitions:

- Trafford Partnership recognise the following definitions:

These definitions all feature in the main Compact Glossary,

Capacity building

Shorthand for a wide range of support, techniques and initiatives which aim build the capacity of individuals or organisations within communities to contribute effectively to regeneration projects. It can include training, advice or specialist expertise.

Community Sector

The community sector is made up of groups of people who share either physical neighbourhoods or common understandings and interests. It is the community itself taking action to get things done. The community sector ranges from small informal community groups to large multi-purpose community organisations.

Commissioning

It is the process by which organisations such as local authorities decide how to spend their money to get the best possible services for local people.

Full cost recovery

The full cost of your organisation is the direct costs of all your projects and services plus all your overhead costs. Therefore, the full cost of each of your projects should be calculated from the direct costs of your project plus a relevant portion of overheads. Activities are costed to account for all expenditure associated with delivery

Procurement

Is one part of the commissioning process and refers to a specific method of purchasing services, works or goods which results in a contract. Procurement can range from contracting for an entire service to purchasing small assets such as office equipment. The procurement process does not end at the commissioning or contract award stage, but spans the entire life cycle of the product or service from inception and design through to contract management and disposal of any redundant assets.

Statutory sector / Public Sector

Central and local government departments and local statutory agencies such as local authority, health trust and public sector services.

Tender

A Tender is a written bid outlining a supplier's desire, ability and plan of how to deliver a piece of work, service or supplies. Exact contents will be determined by the requirements outlined in the service specification and must demonstrate how a supplier will meet these requirements.

Tendering

Tendering is the process of bidding for, and negotiating a contract.

Voluntary Sector

The voluntary sector is comprised of self-governing organisations that provide services because people have felt there to be a need. They are not required to do so by law. The Voluntary Sector relies heavily on the efforts of volunteers in carrying out its aims.

Voluntary and Community sector

The voluntary/community sector includes charities, community organisations, housing associations, faith groups, sports groups, arts groups and

environmental groups. These groups are independent, they define their aims and objectives and choose methods by which to achieve them. All voluntary and community organisations are within the scope of the Trafford Compact.

UNDERTAKINGS

SHARED UNDERTAKINGS:

- Recognise the relationship between statutory sector funding, national and local priorities and constraints placed on funding.
- Recognise the positive contribution of the VCS in Trafford
- Recognise the principle of best value in respect to statutory sector spend
- Respect the roles of all sectors and utilise the skills and expertise of each
 - Continue to develop good practice taking account of guidelines nationally and locally agreed at partnerships
 - Respect the confidentiality of partners
 - Develop a shared commitment to building the capacity of the VCS
 - Develop a shared, public sector grant making and procurement strategy and a model process for handling funding issues, which is flexible to suit small, medium and large organisations.
- Shared commitment to supporting shared budgets between partners and with Trafford Partnership to meet community needs.

Statutory Sector Undertakings:

- Identify annual spend on voluntary and community sector in terms of grants, contracts for service delivery and provision of in-kind support.
- Provide early opportunity to engage and contribute to service design and delivery
- Take shared responsibility to build the capacity of the VCS (to be commissioned)
- Carry out market analysis and community needs assessment incorporating user involvement.
- Maintain a commitment to commissioning and grant making where appropriate
 - Ensure appropriate lead in time
 - Develop appropriate mechanisms for procurement in line with contract to be awarded
 - Ensure publicity and communications are appropriate with greater use of local as well as national media - *for example, advertising all grants and tenders in Trafford Today*
 - Adopt risk management and ensure risks are shared between partners
 - Recognise the independence of the VCS and its ability to meet community needs
 - Simplify where possible procurement activities
 - Recognise and work towards three – five year funding streams
 - To ensure adequate time (6 months) for review/changes to or ending of contracts
 - SLA/Contracts to be clear and unambiguous, including payment details and other information – to be signed within 3 months of agreement.

- Develop openness and transparency in how funding decisions are made
- Recognise full cost recovery for procurement allowing stability and fairness.
- Support the development of shared monitoring and management information including where appropriate access to an integrated framework system.
- Be open to innovation and developing new ways of working

Voluntary & Community Sector Undertakings:

- Respect confidentiality and ensure clarity of their beneficiaries and their consultation mechanisms
- Meet published deadlines for applications and monitoring and evaluation
- Develop and communicate lines of responsibility and accountability
- Ensure good financial management processes, monitoring and evaluation procedures are in place
- Be honest and transparent in reporting
- Build capacity within the VCS to enable continued commissioning
- Develop contingency management of contracts

Action Plan:

An action plan will be draw up annually in relation to the undertakings:

Links to other codes of practice:

The Trafford Compact group will seek to identify areas of common concern for all Codes of Practice Work streams.