

Encouraging people to use resources effectively

The code is for everyone involved in giving, applying for or receiving public funds. The aim is to deliver value for money by achieving the best possible outcomes for all involved, the funder and the voluntary, community and faith (VCF) sector, across Leeds.

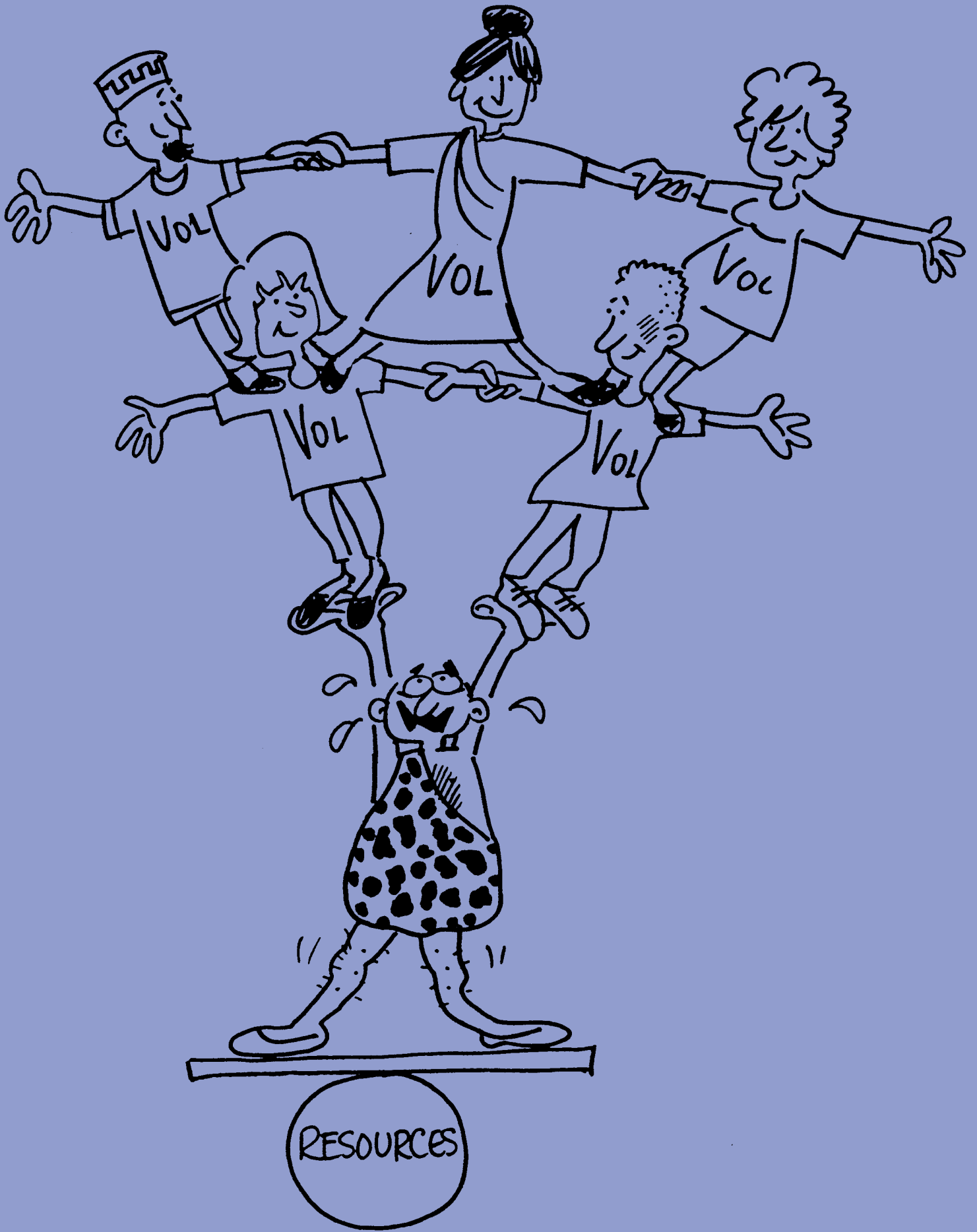
Principles

All organisations within the Leeds Initiative partnership which provide funding and the VCF sector signed up to the compact agree that the following principles apply at all stages of the funding relationship.

- Achieving outcomes should be a central measure of the success of funding.
- Processes should be as simple as possible and in proportion to the amount of money involved.
- Systems should recognise and value equality as well as promoting fair access to funding.
- Funders and those paying for services should make an effort to join up or standardise parts of the funding or procurement chain. This will reduce the burden on organisations and make sure that they focus on delivering services.
- Allowing time for planning, decision-making and action is important so organisations can have a real effect.

- Organisations should make informed decisions about spending priorities and make sure that funders, those paying for services and the VCF sector learn from previous work.
- Good communications can help build trust and can identify and overcome problems before they affect outcomes.
- Understanding each other's needs should help avoid problems and achieve outcomes.
- Processes should acknowledge and recognise:
 - the VCF sector's need for financial stability so that it can carry out its role effectively; and
 - the value of the VCF organisations.
- The VCF sector often carries out ground-breaking work that carries a higher risk.

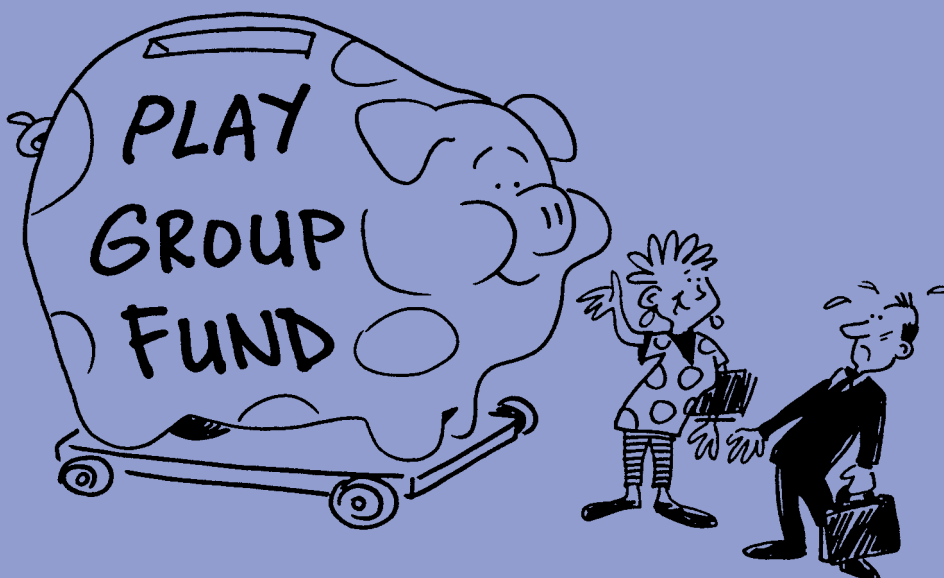
If there is a long-term need for services to be delivered by the VCF sector, funders and those paying for services should develop processes to help them by providing medium- to long-term funding.



Responsibilities

You must agree to put into practice an effective framework that:

- improves co-operation and fairness within and between funding organisations, through the Leeds Initiative Resources Partnership;
- delivers high-quality and good-value services by making sure that your administrative, decision-making and funding processes are clear, consistent and open, for example, by producing clear guidelines;
- regularly publicises your service priorities;
- provides an opportunity for the VCF sector to contribute to designing the programme to make sure that your needs are clear;
- develops a procurement strategy with the VCF sector;
- recognises the independence of the VCF sector and acknowledges its right to manage its own affairs;
- recognises that the VCF sector has a basic, overall responsibility to its charitable aims, its beneficiaries, service users and trustees;
- respects the VCF sector's right to campaign whether or not any funding relationship might exist;
- discusses risks at the start and places responsibility for those risks with the organisation best able to manage them;
- recognises the value of VCF sector groups that are working towards or have achieved an independent quality assurance scheme such as PQASSO (a quality-assurance system designed specifically for charities);
- includes recognised processes such as full-cost recovery basis – a process which includes all overhead costs, such as management, rent, equipment and fuel, as well as the direct costs of the service;
- when buying goods and services avoids asking for information about overheads or management fees;
- provides funding agreements and contracts which last more than one year if it is sensible and practical to do so, to improve long-term planning;
- tries to support maternity and redundancy payments as long as this is achievable within the existing grant and that the services you deliver are not affected – any extra payments will not be your responsibility;
- makes sure that your monitoring levels are realistic and in proportion, focusing on outcomes;
- makes sure that you build in reasonable review periods into funding agreements and contracts – you should carry out performance reviews once a year or on an otherwise agreed basis for contracts and agreements which last more than one year;
- has procedures that follow the principles of good regulation in accounting (set down by Companies House and the Charity Commission);
- makes payments, where appropriate and necessary, before spending has begun, to achieve better value for money;
- makes sure that partners give reasonable or, where possible, three months' notice for any changes to one-year funding programmes;
- recognises that if funding reduces, the services delivered and performance may also reduce;
- develops and publishes a procedure with the VCF sector that provides guidance on withdrawing funding;
- gives enough notice of the end of grants or contracts; and
- makes sure that partners give at least 12 months' notice for agreements lasting more than one year if
 - there is a significant reduction in funding; or
 - funding ends (unless the reduction and ending of funding is a result of the agreement being broken).



The VCF sector agrees to follow good practice when using and managing public funds, in line with the scale of funding involved. This covers:

- your responsibility to respect confidentiality and be clear about who you represent and how you came about your views when consulted about designing programmes;
- policies that recognise and value the principles of equality and support all services;
- clear and effective employment policies, appropriate insurance, management arrangements and procedures, for example, for health and safety and equal opportunities;
- clear, strategic aims, including long-term planning with trustees, beneficiaries and service users;
- systems to include, where possible, involving service users in developing and managing activities and services;
- a reasonable and realistic reserves policy (the way you deal with any money you do not spend within the financial year);
- clear lines of responsibility, especially for joint bids;
- agreed terms of delivery from the beginning and awareness of risks which they are responsible for;
- procedures that follow the principles of good regulation in accounting (set down by Companies House and the Charity Commission);
- systems in place for monitoring and assessing activities against agreed aims in funding agreements and contracts;
- systems for making sure service users and beneficiaries receive quality services, including a feedback procedure;
- a commitment to keep up-to-date with legislation, policy and local priorities when applying for funding;
- public recognition of funders; and
- work towards gaining official approval of a quality-assurance scheme, for example, PQASSO.

For more information contact the following organisations:

Leeds City Council

Pat Fairfax
LCC Partnerships Team
5th Floor West
Merrion House
Merrion Centre
Leeds
LS2 8BB

pat.fairfax@leeds.gov.uk
Phone: 0113 2478128

Voluntary, community and faith sector

Jane Daguere
Leeds VOICE
Suite 56, Concourse House
432 Dewsbury Road
Leeds
LS11 7DF

jane.daguere@leedsvoice.org.uk
Phone: 0113 2772227

Health sector and Leeds Initiative

Christine Farrar
Leeds Initiative
40 Great George Street
Leeds
LS1 3DL

christine.farrar@leeds.gov.uk
Phone: 0113 2243057

