



- Grants and contracts should be costed according to the principle of Full Cost Recovery – see Appendix of full Code for details
- Statutory organisations need to promote funding opportunities widely and pro-actively to ensure VCS organisations have equal opportunity to apply. However, where services are working well, consistency in funding avoids unnecessary applications and gives better value for money
- An on-going dialogue throughout the period of the funding arrangements should allow any problems to be highlighted early
- The minimum notice period for the end of the contract or funding arrangements should be 3 months (other than in exceptional circumstances)
- Clear reasons for the early ending of funding agreements should be given
- Where VCS organisations represent the sector in partnership working they need to be remunerated for time and expenses

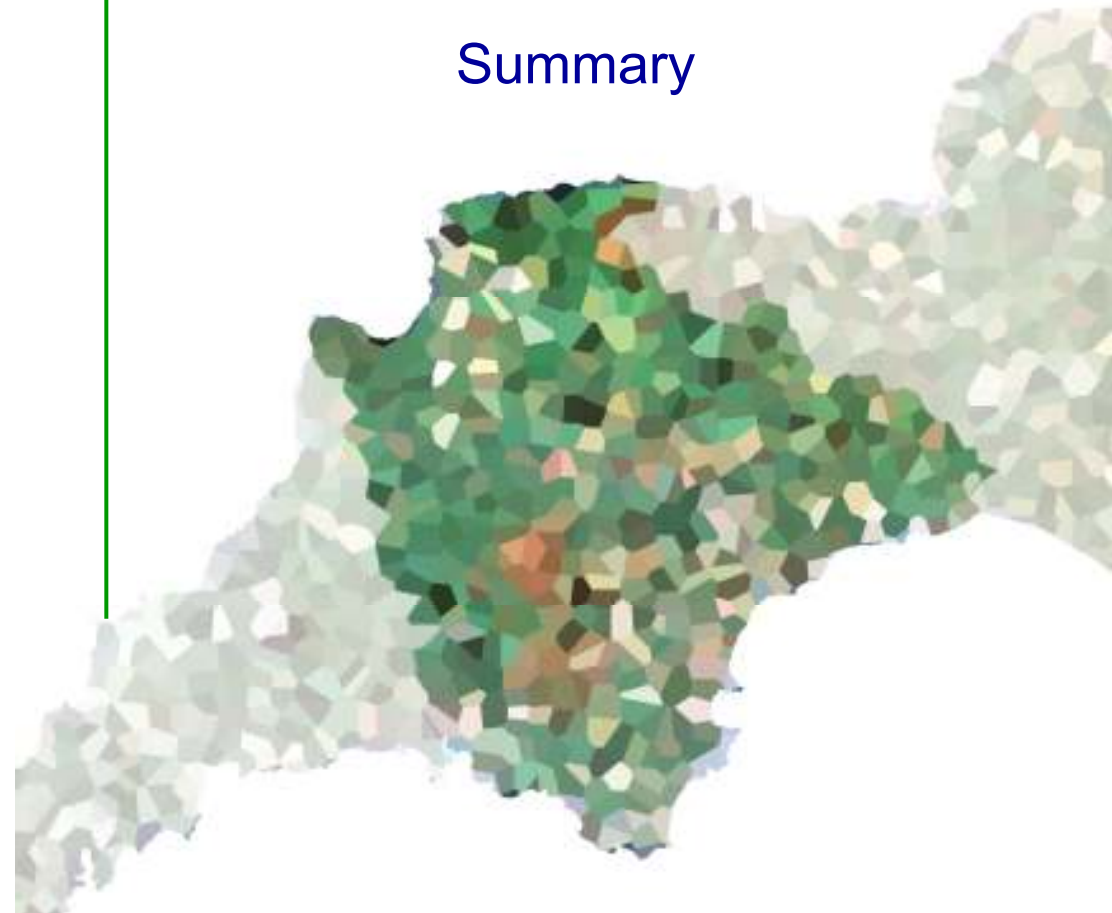
The Devon Compact Hub is inviting all relevant organisations to become signatories and a form is provided for that purpose at the end of the full document. The full Compact for Devon and the full Codes of Practice are available on our website: www.dacvs.org.uk

You can contact the Compact Hub Administrator at:

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Funding and Procurement Code of Good Practice

Summary



A Compact for Devon Funding and Procurement Code of Good Practice

Summary

Compact for Devon

The Compact for Devon is a practical agreement for improving relationships and working practices between organisations in the Statutory Sector and those in the Voluntary & Community Sector (VCS). It complies with Government requirements for statutory organisations to develop a local compact as part of the national compact.

The Compact sets out:

- A shared vision and principles
- Actions from both sides
- The Statutory Sectors' commitment to respect the independence of the Voluntary and Community Sector
- Systems to help make sure that the agreement works

Codes of Practice

The Compact for Devon is underpinned by its Codes of Practice. Six Codes have been developed; Funding and Procurement, Volunteering, Equality and Diversity, Consultation, Community Groups and Partnerships.

The Funding and Procurement Code of Practice

The advantages of a Funding and Procurement Code:

For the Voluntary & Community Sector (VCS)	For the Public Sector
It strongly supports Full Cost Recovery as a basis for funding arrangements	VCS It improves access to resources within the public sector unique to the VCS
It encourages longer term funding arrangements which helps to build capacity in the VCS	It enables better informed strategic planning
It emphasises the need for a planned approach for the end of funding	It supports accountability for service delivery, which takes place through contracts

Voluntary & Community Sector and Statutory Sector Partners will work together to ensure that:

- New Contracts comply with the Compact and its Codes of Practice. Existing contracts need to be made compliant at the next review.
- Specifications or funding agreements need to clearly state agreed arrangements covering:
 - What is to be delivered and by when (focussing on outcomes)
 - Payment arrangements (payment in advance where possible)
 - How underspends will be treated
 - Potential risks and how these are to be managed
 - What happens if outcomes or objectives are not being met
 - What happens if the funding: ends early, ends on time, or is extended
 - Appropriate monitoring and reporting arrangements – which are not burden some. VCS organisations undertake to report with honesty, transparency and timeliness
 - If funding is given by a partnership, what happens if one of the partners withdraws funding
- Funding arrangements or specifications should be longer term where possible.
- Clarity and agreement at the beginning of the process reduces the capacity for misunderstanding and disagreement later
- As soon as it is known that cuts are possible, the VCS should be consulted about priorities