

Approaching a new financial year – use your Compact!

With the end of the current financial year fast approaching voluntary and community organisations will be keeping a close eye on funding arrangements that they have with public bodies for 2010/11 and beyond.

This time of year is always crucial for organisations – finding out what grant money is available, entering into contract negotiations, and planning the future work of the organisation can be a stressful and tense time.

Here we consider three scenarios that organisations have already experienced and come to us with, identifying the relevant Compact principles and suggest some action that you can take should they arise.

Scenario 1:

We don't know yet what funding we are going to have for next year and beyond, causing organisational problems as we can't properly plan our work.

Compact undertakings:

9.1 Commit funding for three years or more. If this is not the best way to deliver the best value for money, government should explain clearly what alternative funding arrangements could deliver the same outcomes.

9.2 Make funding decisions and inform organisations at least three months in advance of the expected start date. Any departure from that time-scale should be justified and explained.



Action:

Try and engage with the public body early. Ask them what their plans are, and remind them of their commitments to longer term funding and to give appropriate notice. Explain clearly the impact on beneficiaries and staff and check the terms of your contract.

“Organisations should ensure that they know what duties public bodies are under and how they can use the Compact to constructively engage with their funders.”

Scenario 2:

Our local authority is reconsidering their policies and programmes. Engagement with us has been sketchy, and they are putting out a number of consultations that we have to respond to quickly.

Compact undertakings:

1.1 Involve the sector from the earliest stages of policy development, on all relevant issues likely to affect it.

- 3.1 Give notice of forthcoming consultations so that organisations can plan ahead.
3.7 Conduct 12-week formal written consultations, with an explanation given for shorter-time frames.

“Offer solutions and ways you can help - be firm and confident. Consider involving other organisations who may be affected.”



Action:

Even when having to operate under financial pressures a consultation has to be carried out properly. Don't wait until the consultation is out – if you know that they are likely to be having one engage early and stress the importance of it being Compact compliant.

Scenario 3:

We have only just been told by our local authority that due to a reallocation of funds, we are not going to be grant funded next year as we have been previously.

Compact undertakings:

9.2 Make funding decisions and inform organisations at least three months in advance of the expected start date. Any departure from that time-scale should be justified and explained.

13.1 Assess the impact on beneficiaries, service users and volunteers before deciding to reduce or end funding.

13.3 Give a minimum of three months' notice in writing when ending a funding relationship or other support, and provide a clear rationale for why the decisions has been taken.



Action:

Contact the local authority immediately. Ask them what assessment on the impact of this decision has been taken. Remind them that they must provide three months notice. Importantly, set out why this is essential – for your organisation to be able to manage change effectively and act as good employers.

If this doesn't work...

The Compact Advocacy Programme provides free advice and free advocacy for voluntary and community organisations, both national and local. Contact them on 020 7520 2599 or evsAdvice@ncvo-vol.org.uk

Practical help and guidance on how to get the Compact working for your organisation and in your local area can be found at www.compactvoice.org.uk