

Allocating resources

Commitments for the public sector

Date of audit:

Completed by:

Please give a rating of between 1 and 5 for each of the questions:

- 1 = Poor (currently, this doesn't happen at all)
- 2 = Fair (this has occurred in the past)
- 3 = Good (there are some examples of this happening within my organisation)
- 4 = Very Good (this frequently happens)
- 5 = Excellent (no room for improvement, just carry on the good work!)

5 Planning		
Ref	Commitment	Rating
5.1	Plan new programmes and services with a focus on outcomes, providing scope for innovation wherever possible	
5.2	Work with voluntary and community sector organisations to understand public service reform and support the sector in responding to changes	
5.3	Begin planning programmes and services well in advance of the expected start date, based on consultation with the voluntary and community sector	
5.4	Ensure that those voluntary and community sector organisations that are likely to have a view on the programme or service are involved from the beginning	

6 Choosing finance and funding options		
Ref	Commitment	Rating
6.1	Consider a wide range of ways to fund or resource voluntary and community sector organisations, including grants, contracts, loan finance, use of premises and so on. Work to remove barriers that may prevent voluntary and community sector organisations accessing public sector funding, thereby enabling smaller organisations to become involved in delivering services where they are best placed to achieve the desired outcomes	
6.2	Ensure all bodies distributing funds on the authorities behalf adhere to the commitments in this Compact. This includes the relationship between prime contractors and their supply chains. Demonstrate how funding arrangements and financial support can allow smaller and specialist providers to play a greater part	

6.3	Apply the Compact when distributing European funding. Where conflicts arise with European regulations, discuss the potential effects and agree solutions together to ensure there no breaches of legislation	
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7 Application and bidding processes

Ref	Commitment	Rating
7.1	Ensure well managed and transparent application and tendering processes, which are proportionate to the desired objectives and outcomes of programmes, in accordance with HMT Managing Public Money and the Green Book as part of an open commissioning process	
7.2	Ensure transparency by providing a clear rationale for all funding decisions	

8 Understanding costs

Ref	Commitment	Rating
8.1	Recognise that when voluntary and community sector organisations apply for a grant they can include appropriate and relevant overheads, including the costs associated with training and volunteer involvement	
8.2	Be consistent across sectors when requesting cost breakdowns from organisations	

9 Making decisions

Ref	Commitment	Rating
9.1	Commit to multi-year funding where appropriate and where it adds value for money. The funding term should reflect the time it will take to deliver the outcome. If multi-year funding is not considered the best way of delivering the objective, explain the reasons for the decision	
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	
9.3	Provide constructive feedback to unsuccessful organisations	

10 Agreeing delivery terms

Ref	Commitment	Rating
10.1	Discuss the risks to the project and agree delivery terms before a financial agreement is signed	

10.2	Discuss and allocate risks to the organisation(s) best equipped to manage them. Where prime contractors are used, ensure they adhere to the principles of this compact in allocating risk. Ensure delivery terms and risks are proportionate to the nature and value of the opportunity.	
10.3	Agree a process for managing performance and responding to changing circumstances before signing a financial agreement	
10.4	For grants, agree how any under spend will be managed	

11 Making payments

Ref	Commitment	Rating
11.1	Ensure the widest possible range of organisations can be involved in the provision of services through appropriate funding and financing models, for example outcome based payments and payment in advance of expenditure. Payment in advance of expenditure should be considered on a case by case basis where it represents value for money	

12 Monitoring and reporting

Ref	Commitment	Rating
12.1	Discuss and agree how outcomes will be monitored before a contract or funding agreement is signed	
12.2	Be clear about what information is being requested, why, and how it will be used	
12.3	Ensure that monitoring and reporting is proportionate to the nature and value of the opportunity. Focus on evidence that is meaningful to the beneficiaries of organisations, as well as to funders	
12.4	Consider how service users can be involved by getting their perspective of performance	
12.5	Ensure equal treatment across sectors, including reporting and monitoring arrangements, when tendering for contracts	
12.6	If the programme or service is encountering problems, discuss and agree a timetable of actions to improve performance before making a decision to end a financial relationship	

13 Concluding a financial relationship		
Ref	Commitment	Rating
13.1	Assess the impact on beneficiaries, service users and volunteers before deciding to reduce or end funding	
13.2	Where there are restrictions on future resources, discuss the potential implications as early as possible with voluntary and community sector organisations	
13.3	Give a minimum of three months notice in writing when changing or ending a funding relationship or other support, apart from in exceptional circumstances when it is not possible to do so, and provide a clear rationale for why the decision has been taken	
13.4	Give organisations an opportunity to respond to the ending of funding and consider the response before making a final decision	
13.5	Review programmes and services with relevant voluntary and community sector organisations to inform future practice	

Areas identified for further action

Ref	Actions to be taken
5.1	
5.2	
5.3	
5.4	
6.1	
6.2	
6.3	
7.1	
7.2	
8.1	
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