

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: The Leader

14 May 2009

AUTHOR/S: Chief Executive / Partnerships Manager

COMPACT CODE FOR FUNDING AND COMMISSIONING

Purpose

1. To adopt the Cambridgeshire Compact Code of Good Practice for Funding and Commissioning.

Background

2. The Cambridgeshire Compact is a partnership agreement between statutory bodies and the voluntary and community sector. It is designed to improve our relationships and provide a framework within which we can understand what to expect from each other.
3. The Cambridgeshire Compact provides:
 - a set of Undertakings that clarify roles and expectations;
 - an agreement to work towards 3-year funding cycles;
 - a recommended 12 weeks notice of changes;
 - an honest problem-solving environment;
 - a set of Good Practice Codes.
4. South Cambridgeshire District Council signed up to the main Compact document in Autumn 2006.
5. The development of a local Compact process is part of the priority National Indicator (NI) in the LAA, NI 7 (environment for a thriving third sector), as well as directly relating to others such as NI 4 (involvement in decision-making), and the community cohesion indicator NI 1. It is included in government diagnostics for NI 7¹ and NI 1 and will be a key part of the forthcoming area inspection of the Comprehensive Area Assessment.
6. The Code of Good Practice for Funding and Commissioning was considered in draft form at the Leader's Portfolio Holder meeting on 15 January 2009, where support was expressed.
7. Further Codes of Good Practice are currently in development, including a Community Code and a Volunteering Code.

Considerations

8. Following a 12-week period of consultation, the Funding and Commissioning Code has now been finalised. Twenty-five responses were received from of statutory, voluntary and community sector organisations, most of which were positive. The responses were taken into consideration when producing the final document and minor amendments have been made.

¹ 'Does the area have a positive relationship between statutory agencies and the third sector guided and supported by an effective Compact', NI 7 Portfolio of Evidence GOEAST Dec 2008.

9. The main changes are:
- (a) Paragraph 1.2 – the words ‘is to be applied within the bounds of legal constraints and requirements’ has been added in bold.
 - (b) Paragraph 2.1 – ‘Compliance with all and applicable EU and UK legislation and best practice guidance’ has been added to the Guiding Principles.
 - (c) Paragraph 2.5 has been added to provide clarity around the role of partnerships and consortia.
 - (d) Paragraph 3.2 – a sentence adding that advance payments will be made by the statutory sector wherever possible.
 - (e) Paragraph 4.3 – added that the statutory sector will undertake to ‘signpost organisations to their local infrastructure providers for assistance’.
 - (f) Paragraph 4.5 – added that the third sector will undertake to ‘issue invoices correctly and in a timely manner’ and ‘inform the statutory sector at the earliest opportunity should a need for change in the payment pattern occur’.

Implications

10. Financial	The Council has already moved towards three-year service level agreements with many of the voluntary organisations it funds. The Code of Good Practice will need to be taken into account when developing future funding relationships and when reviewing existing service level agreements. The Code formalises the grants procedure of making advance payments to the third sector where possible.
Legal	See Section 9 a & b above. Legal statements have been added to ensure that compliance with the Code remains within a legal framework.
Staffing	None.
Risk Management	The Code of Good Practice should reduce risks associated with commissioning and providing grants to the third sector.
Equal Opportunities	If followed, the Code should improve openness and transparency and provide consistency, coordination and fairness.

Consultations

- 11. The Council’s Procurement Officer has been involved in the development of the Code and is in support of the content.
- 12. The Leader’s Portfolio Holder meeting was consulted on the 15 January 2009. The Leader expressed support for the Code.

Effect on Strategic Aims

- 13. **Commitment to being a listening council, providing first class services accessible to all.**
If followed, the Code will ensure that grants and services commissioned with the third sector follow good practice.

The third sector could be commissioned to provide services in support of the strategic aims where it is considered best value to do so. The Code provides a framework for the Council and the third sector to work together in such circumstances.

Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.
See above.
Commitment to making South Cambridgeshire a place in which residents can feel proud to live.
See above.
Commitment to assisting provision for local jobs for all.
See above.
Commitment to providing a voice for rural life.
See above.

Recommendations

14. To adopt the Cambridgeshire Compact Code of Good Practice for Funding and Commissioning

Background Papers: the following background papers were used in the preparation of this report:

The Cambridgeshire Compact

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