



# **Community and Voluntary Sector Funding Procedures**

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## Document Amendment History

Version Number	Date	Description
0.1	22 September 2014	Draft
0.2	1 October 2014	Draft
1.0	November 2014	Final
1.1	April 15	Amendments following Board meeting on 13.3.15
1.2	October 15	Amendments to 4.1 on advertisement
1.3	December 2015	To reflect changes derived from the launch of the Code of Practice for Reducing Bureaucracy in Grant Funding to the Voluntary and Community Sector
1.4	August 2016	To reflect procurement advice from CPD in respect of funding to the Community and Voluntary Sector.

An Equality Impact assessment was carried out on the first version of the policy in 2005 and still applies. The scheme is subject to Equality Monitoring annually. The policy has been proofed for Human Rights compliance.

This documentation can be made available in alternative formats such as large print, Braille, disk, audio tape or in an ethnic-minority language upon request. Requests for alternative formats can be made to the Probation Board using the following contact information:

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## ANNEXES

A	Code of Practice - Summary of Overarching Themes and Principles
B	Application Form – Section 1 - Application form Section 2 – Instructions for Voluntary Community organisations adding key documents to the Government Funding Database Section 3 – Funders’ Passport Declaration Section 4 – Policies and Procedures Declaration
C	Sample Letter of Offer
D	Sample Agreement of Funding

# **COMMUNITY AND VOLUNTARY SECTOR FUNDING PROCEDURES**

## **1. INTRODUCTION**

The Probation Board (NI) Order 1982 Article 4 (2) allows PBNI to allocate funding to the community and voluntary sector. The exercise of this legal ability is discretionary on the part of the Probation Board for Northern Ireland (PBNI).

PBNI aims to change the lives of offenders, for safer communities. In carrying out this work, links with the voluntary and community sector are important in providing secondary support services to PBNI as it carries out its core statutory functions. PBNI's policy on Community and Voluntary Sector funding puts in place an allocation framework for the distribution of community and voluntary sector funding to support PBNI's role in helping make communities safer in Northern Ireland.

This document sets out the Procedures through which PBNI may allocate funds to the Community and Voluntary Sector (CVS). These procedures reflect the Code of Practice for Reducing Bureaucracy in Grant Funding to the Voluntary and Community Sector which has been developed to promote best practice in reducing disproportionate bureaucracy in grant funding to the CVS whilst ensuring the proper use of public money. The code was launched in June 2015 and will be implemented from 2016-17. A list of the overarching themes and best practice principles are summarised at Annex A.

The decision on whether PBNI is in a position to allocate monies, and the amount if there is an allocation, will be subject to the PBNI annual budgetary situation. In line with the Code of Practice PBNI will attempt to avoid delays in the decision making process. If there is a delay in the confirmation of PBNI's annual budget settlements, the timelines for advertising and commencing funding may be delayed accordingly. PBNI will utilise its Community and Voluntary Sector budget to fund initiatives that provide non-core secondary services and support PBNI's core statutory work and services with adjudicated offenders.

The framework for the distribution of funding has four means for the allocation of funding:

- (i) Sole Procurement: For (PBNI) priority secondary services, these may be procured or commissioned through the Central Procurement Directorate (CPD) of the Department of Finance (DOF) for providers from both the private sector and the Community and Voluntary Sector. The allocation period will be for a one year period, with the option of extension up to a further two years. Any extensions will be initially for one year's funding and will be subject to a performance review. Funding beyond the first year may be varied or terminated due to issues of performance or PBNI's overall budget situation.
- (ii) Grant Aid: This will be in respect of allocations/applications where providers will be sought only from the Community and Voluntary Sector.. Grant Aid will be allocated for a one year period, with the option of extension up to a further two years. Any extensions will be initially for one year's funding and will be subject to a performance review. Funding beyond the first year may be varied or terminated due to issues of performance or PBNI's overall budget situation.
- (iii) Funding through Strategic Partnerships:
  - a. PBNI may enter into joint procurement arrangements with strategic partners such as the Department of Justice (DoJ), the Northern Ireland Prison Service (NIPS) and the Youth Justice Agency (YJA). Services contracted will be processed through the Central Procurement Directorate (CPD). The funding period will be as outlined above – Sole Procurement.
  - b. With specific reference to drawing down European Social Fund (ESF) monies, PBNI may enter into a match funding relationship with non-statutory partner(s). This arrangement may also involve other statutory partners. The ESF has its own application and allocation processes. The ESF funding cycle is for three years: PBNI will only commit on an annual

basis, subject to PBNI's overall budgetary situation and performance respectively.

- (iv) Contingency Provision: PBNI may provide continuing short-term funding to community and voluntary organisation(s) as a contingency in circumstances where funding timelines are uncertain or business needs change. This funding would be provided on a contingency basis to support services closely aligned to PBNI's statutory functions (for example, increase in community service referrals).

**Each of the funding stream options has supporting administrative and governance procedures as detailed in sections 2 – 6; and as per the financial governance and reporting arrangements detailed in Annexes: A – D.**

## **2. PROCEDURES APPLICABLE TO ALL FUNDING STREAMS**

### **2.1 Eligibility Criteria**

In order to be eligible for funding, CVS providers shall make available all relevant up to date documents either on the Government Funding Database or attached with the application. The Funders' Passport Declaration and the Policies and Procedures Declaration will be used in all applications for funding at Annex B – Application Form.

### **2.2 Ineligibility for Funding**

Applications for funding will not be considered for the following:

- Activities of a party political or exclusively religious nature
- Goods or services that another Department, organisation or agency has a statutory duty to provide

- Core Costs, to include rent, rates, insurance, management charges and utility charges except where a voluntary or community organisation is the lead delivery agent for the project. In this case, core costs will be appropriately apportioned
- Payments reimbursed or to be reimbursed by other public or private sector grants
- Contributions in kind; donations
- Affiliation or membership fees
- Endowments, loan payments
- Depreciation, amortisation or impairment of fixed assets owned by the Grant Recipient
- The acquisition or improvement of fixed assets by the Grant Recipient
- For interest payments (including service charge payments for finance leases)
- For gifts to individuals other than promotional items with a value of no more than £10 a year to any one individual
- For the purposes of entertainment (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations)

- For the payment of statutory fines, criminal fines or penalties
- For the payment of liabilities incurred before the issue of this funding agreement unless agreed in writing by PBNI

### 2.3 Financial Delegations Framework

Recommendations for funding will be made within the following financial delegations framework:

Deputy Director	Up to £25k
Director of Probation	Above £25k up to £100k
Board	Over £100k recommended to DOJ
Department of Justice	Over £100k

The Board of PBNI will be advised, for noting, of allocations below £100k per annum. For amounts above £100k per annum, Board approval is required prior to any allocation.

In line with the Code of Practice, funding will be subject to a six monthly in-year performance review, a final review and adherence to the financial conditions set out in Annex D of this document.

Expenditure and receipts in respect of all funding will be monitored by the Finance Department to ensure compliance with the Code of Practice for Reducing Bureaucracy in Grant Funding to the Voluntary and Community Sector, Financial Memorandum and internal financial controls.

Area Manager reviews shall indicate where conditions of funding are not being met and detail remedial action that could include a recommendation to suspend further payments of funding or, where appropriate, seek recovery of payments already made. The Director of Probation shall have discretion to

make decisions on suspension and recovery of payments already made as per the delegated limits set out above.

In instances where business cases are required, the lead Assistant Director will take the lead in the completion of same.

PBNI has a Complaints Policy and Procedure and any complaints should be made in writing to the Complaints Officer, PBNI, 80-90 North Street, Belfast, BT1 1LD.

### **3. PROCUREMENT TENDERING PROCEDURES**

Procurement should be considered for high cost programmes which have a lifespan or service requirement beyond one year ) where providers may be sought from both the private sector and the Community and Voluntary Sector.

Recommendations on what services should be procured shall be made by the Senior Management Team. For services up to the value of £100k per annum, the approval of the Director of Probation is required. For services of £100k and above per annum, the approval of the Board to recommend to DoJ is required.

The funding allocated will be for a one year period with the option of an extension up to a further two years. Any extensions to funding beyond the initial year of funding will be subject to performance review and PBNI's overall budget situation respectively.

The tendering process set out below applies to both sole procurement and joint procurement initiatives.

Following approval, the process through the Central Procurement Directorate (CPD) is as follows:

#### **Role of PBNI**

Lead Assistant Director develops the specification for the programme and completes the Business Case using the DoJ proforma by the end of the third quarter of the financial year.

Agree a fee with CPD prior to commencing the procurement process.

The specification will state the service requirement completely, logically and unambiguously. It should:

Clearly scope out the aim of the programme to be delivered and the target group of those who will receive the service;

Enumerate the outputs and outcomes requirements;

Set out the roles and responsibilities of each party to the contract;

Set out key milestones / timescales for delivery;

Include Key Performance Indicators (KPIs);

Contain enough information for potential suppliers to decide and cost the goods or services they will offer.

Senior Managers from PBNI will sit on the Tendering Panel.

Provide equal opportunity for all potential suppliers to offer a product or service which satisfies the needs of the user and which may incorporate alternative technical solutions; and comply with any legal obligations eg under UK Law, the EEC Treaty, an EC Directive or the GATT Agreement on Government procurement.

### **The Role of the Central Procurement Directorate (CPD)**

CPD on receipt of specification will review (provide feedback, request additional information if required) and prepare and recommend the optimum procurement strategy.

CPD and PBNI will agree the evaluation criteria and the weightings, eg the quality/cost apportionment.

CPD will prepare the Instructions to Tenders and Conditions of Contract.

Once PBNI approve the finalised tender documentation, CPD will facilitate the procurement process.

CPD will publish the tender on eSourcingNI (PBNI will also advertise same on its website and Twitter account).

CPD will receipt and process all clarifications. PBNI will advise on any responses regarding the specification.

CPD will facilitate a supplier briefing session if required.

CPD will convene a Tendering Panel meeting.

CPD will receipt final bids. Only once the panel have confirmed there are no conflicts of interest, CPD will release the qualitative elements of the bid to the panel to commence their individual assessment of each bid against the published criteria.

Once the individual panel members have completed their individual assessments of the bids, CPD will facilitate the consensus meeting of the evaluation panel and record final consensus scores and comments to substantiate those scores.

CPD will complete the cost analysis for the quantitative element of the competition. The panel will not have access to these costs and associated scores until completion of the qualitative analysis. These are added to the panel's final agreed consensus qualitative scores to produce the final result and highest scoring tender/Most Economically Advantageous Tenderer (MEAT).

CPD will compile the evaluation report with the recommendation to proceed with the award of contract to the MEAT tenderer. The panel will review this for accuracy and sign off their approval.

CPD will issue the award and letters of regret to non successful applicants and send the relevant information to AccountNI.

Complaints or appeals about the tendering process or outcomes will be dealt with by the CPD.

#### **4. GRANT AID PROCEDURES**

The Grant Aid Procedures shall apply in respect of allocations/ applications where providers will be sought only from the Community and Voluntary Sector.. Grant Aid funding should normally be for a one year period, with the option of extension up to a further two years. Any extensions will be initially for one year's funding and will be subject to a performance review. Funding beyond the first year may be varied or terminated due to issues of performance or PBNI's overall budget situation.

These procedures have been revised in 2016-17 to comply with the Department for Communities Code of Practice for Minimising Bureaucracy in Grant Funding to the Community and Voluntary Sector.

##### **4.1 Advertisement**

The Board will advertise for specific services. The adverts will be placed on the following platforms: NICVA Grant Tracker, PBNI's website and Twitter accounts respectively. Applicants will complete an application form (Annex B) which is to be submitted electronically to PBNI by a set date.

##### **4.2 Selection**

On receipt and collation of all the documentation, a Grant Aid Allocation Panel will meet early in the final quarter of the financial year.

The Panel will be comprised of the two Deputy Directors and the Head of Finance. Assistant Directors will attend the Panel to discuss submitted applications in their respective areas.

The Panel will assess each application against a (weighted) scoring matrix. The Panel will make recommendations for the amounts to be allocated to successful applicants. The recommendations will be subject to the delegations framework set out in paragraph 2.3 of these procedures.

The Panel Chair will inform all applicants of the outcome of their application. For successful applicants, their notification will take the form of a letter of offer. For unsuccessful applicants, the letter will also explain the right to appeal.

### 4.3 Appeals

Applicants have the right of appeal to the Board in respect of any decision on eligibility or on the application itself, including those decisions taken by the full Board.

Appeals to the Board will be remitted to a panel, normally of three Members, which will consider the matter and make a recommendation with its reasons to the Board for final decision. If there is more than one appeal, the same panel shall, if possible, conduct each appeal.

The members of the panel shall be nominated by the Chairman to the Board which may accept, reject or amend the proposal.

The applicant may exercise the right of appeal by writing to the Board setting out the grounds for the appeal within 10 working days of the issuing of the decision which is the subject of the appeal. The period of 10 working days may be extended in exceptional circumstances.

The Chair of the Grants panel shall make available the relevant documents to the Appeals panel. The panel shall conduct the appeal by means of a desk review of the papers before considering its recommendation to the Board. The panel may take legal advice if it considers it necessary to do so.

The panel's recommendation with its reasons shall be brought to the next meeting of the Board, whose decision shall be final. The Board will notify the applicant of the Board's decision within five working days.

## **5. FUNDING THROUGH STRATEGIC PARTNERSHIPS: EUROPEAN SOCIAL FUND (ESF)**

PBNI may enter into a match funding relationship with non-statutory partner(s) for services which will be accessible to adjudicated offenders. The match funding relationship may also involve other statutory partners. The ESF publicly advertises for bids (on a three year basis). The ESF has its own applications, allocation and governance processes.

On receipt of any request for a match funding commitment, the proposal will be considered by the relevant members of the Senior Management Team for a recommendation. If it is recommended that the commitment amounts up to £100k per annum, approval is required from the Director of Probation. If the amount requested is above £100k per annum, Board approval to make a recommendation to DOJ is required.

If PBNI, in principle, agrees to commit match funding, PBNI will draft a specification for the services required. This specification will detail:

- The services required from PBNI
- How the services should be delivered
- Outcomes
- Performance reporting arrangements

Although the ESF allocates funding on a three year cycle, PBNI shall only match fund commitment on an annual basis. A decision on whether PBNI will commit in successive year(s) beyond the initial year of funding (and the

amount that will be committed) will be dependent upon PBNI's overall budget situation and performance respectively.

## **6. CONTINGENCY PROVISION PROCEDURES**

PBNI may provide continuing short-term funding to community and voluntary organisation(s) as a contingency in circumstances where funding timelines are uncertain or as business needs change. This funding would be provided on a contingency basis to support services closely aligned to PBNI's statutory functions (for example, community service).

The contingency provision can only be allocated to an existing CVS provider.

Line Assistant Directors will have a lead role in identifying any services which require the contingency provision. They will write to the Deputy Directors requesting the provision, with supporting evidence. The supporting evidence will include:

- The services that will be provided (including the number of referrals)
- The implications if contingency funds are not allocated
- The amount of funding required
- Performance of the existing provider

The Deputy Directors will make a recommendation for approval by the Director of Probation (as Accounting Officer) in respect of any request for contingency provision. The Board will be notified of any contingency allocations.

Short term funding shall not exceed three months. Recipients of short term funding will receive a letter of offer detailing the amount and services to be provided.

The financial and reporting arrangements as detailed in Annex D will be applied to any recipients of the contingency provision.

## **SUMMARY OF CODE OF PRACTICE OVERARCHING THEMES AND PRINCIPLES**

### **Overarching Themes**

#### **THEME 1 - COLLABORATION**

There should be a collaborative approach to revenue grant funding of Voluntary and Community Organisations (VCOs) in order to minimise duplication of effort.

#### **THEME 2 - PROPORTIONALITY**

There should be proportionality of effort throughout the revenue grant funding process - when seeking applications for, appraising, awarding, checking, monitoring and evaluating grant funding.

#### **THEME 3 - TIMELINESS**

The revenue grant administrative process should be completed in a timely way.

### **Principles**

#### **BEST PRACTICE PRINCIPLE 1**

When developing revenue grant funding programmes funders should seek to join up their programmes where the objectives align with, or are complementary to, those of other funding programmes.

#### **BEST PRACTICE PRINCIPLE 2**

If a project is for a defined period, for example three years, the grant offer should cover the full period and not be funded annually.

#### **BEST PRACTICE PRINCIPLE 3**

The Funders' Passport should be adopted by all funders and shared via the Government Funding Database (GFD).

#### **BEST PRACTICE PRINCIPLE 4**

The Funders' Passport Declaration and the Policies and Procedures Declaration should be used in all subsequent applications for funding.

#### **BEST PRACTICE PRINCIPLE 5**

Decisions on continuation funding should be approved and communicated to VCOs at least three months before the expiry of the existing project funding to avoid the need for placing staff on protective notice.

#### **BEST PRACTICE PRINCIPLE 6**

The Financial Systems and Control Assessment of Voluntary and Community Organisations should be operated by all funders.

#### **BEST PRACTICE PRINCIPLE 7**

Where a VCO is rated "robust" under the FSCA process and has multiple grants from the same funding body a Lead Financial Verifier arrangement should be put in place and the expenditure of only one of the projects verified.

#### **BEST PRACTICE PRINCIPLE 8**

Where a VCO is rated "robust" under the FSCA process and has multiple grants from different funding bodies a Lead Financial Verifier arrangement should be explored and put in place where possible.

#### **BEST PRACTICE PRINCIPLE 9**

Funders should allow "robust" rated VCOs the discretion to manage their grant in year.

#### **BEST PRACTICE PRINCIPLE 10**

Funders should routinely pay three months salaries for funded staff at the outset of a project and three months in advance thereafter. For "robust" rated VCOs six monthly advances of salaries should be applied.

### **BEST PRACTICE PRINCIPLE 11**

Funders should be flexible when dealing with running costs and pay them in advance where a particular need has been identified.

### **BEST PRACTICE PRINCIPLE 12**

Where only an element of a claim is in dispute a funder should make part payments for the remainder of the claim.

### **BEST PRACTICE PRINCIPLE 13**

Funders should either accept the project information provided by a VCO to its Board or adopt the Standard Reporting Template to evidence project delivery.

### **BEST PRACTICE PRINCIPLE 14**

Six monthly project reporting should be the agreed normal reporting period for VCOs, however, annual reporting should be considered for “robust” rated VCOs who are in a long term funding relationship and have a good track record of project delivery.

### **Small Grants (£1,500 - £30,000)**

### **BEST PRACTICE PRINCIPLE 15**

For small grants, salaries should be paid six months in advance, on receipt of the first claim form which should be completed and returned with the signed Letter of Offer.

### **BEST PRACTICE PRINCIPLE 16**

For small grants, up to 75% of running costs should be paid at the outset of the project with the remainder paid on successful delivery of the project.

### **BEST PRACTICE PRINCIPLE 17**

For small grants, financial verification should be based on the VCO's previous track record. Those having successfully delivered previously should be part of a pool of projects which may be chosen for checking as part of a random sample.

## **Micro Grants (below £1,500)**

### **BEST PRACTICE PRINCIPLE 18**

Micro grants should be paid in advance, however, where a funder deems this inappropriate they should make payment as soon as valid receipts are received and checked.

### **BEST PRACTICE PRINCIPLE 19**

The minimum amount of information should be collected to evidence the successful completion of a micro grant project.