



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Code of Practice for Funding the Third Sector

January 2009

CODE OF PRACTICE FOR FUNDING THE THIRD SECTOR

INTRODUCTION

The Welsh Assembly Government recognises that the Third Sector has an important role to play in helping it to achieve its objectives, in particular in realising its vision of a safer and more inclusive society where everyone has the chance to fulfil their potential.

This Code of Practice is published in response to the Welsh Assembly Government's Third (Voluntary) Sector Scheme which states that:

“2.11 The Assembly will maintain:

a Code of Practice for funding the third (voluntary) sector...”

It sets out the key principles which will underpin Assembly Government funding for the Third Sector and what the Assembly Government expects in return. The principles of the Code of Practice are obligatory for all Assembly Government departments, Assembly Government Sponsored Bodies (AGSB's), NHS bodies and other third party funders. It is expected that local authorities will also adhere to the principles laid out in the Code of Practice.

This Code takes forward the recommendations of the Funding and Compliance sub-committee of the Third Sector Partnership Council. The Code is a 'living' document, maintained on the website and will be updated regularly.

If you have any further questions or comments please send them to Voluntarysectorbranch@wales.gsi.gov.uk. This Code is also available in hard-copy upon request from:

The Voluntary Sector Unit, Welsh Assembly Government, Communities Directorate, Merthyr Tydfil Office, CF48 1UZ.

PRINCIPLES OF ASSEMBLY GOVERNMENT FUNDING FOR THIRD SECTOR ORGANISATIONS

1. Q: Why does the Welsh Assembly Government support Third Sector organisations?

A: The Welsh Assembly Government is committed to alleviating poverty, improving the quality of life in Wales, promoting equality and diversity and involving the socially excluded. Third Sector organisations fulfil a crucial role in these areas which is distinct from both the state and the market. In particular, they enable individuals to contribute to public life and the development of active communities by providing opportunities for voluntary action. Furthermore, they are effective vehicles for involving users in the design and delivery of services and advocates for those who otherwise would have no voice.

The Welsh Assembly Government supports the Third Sector in regards to the relationship laid out in The Third Dimension – Strategic Action Plan:

- To support the further growth and development of the sector's capacity to strengthen communities of place and interest.
- To harness the knowledge and expertise of the sector to help design better public policies and services.
- To encourage and help the sector to contribute to the personalisation and greater accessibility of quality, citizen-centred public services.

2. Q: What principles does the Welsh Assembly Government apply to funding the Third Sector?

A. The Welsh Assembly Government is committed to operating an effective and sustainable funding framework for the Third Sector. Its decisions are based on the following principles:

- ***Delivery of strategic policy objectives*** – acknowledgement of the role the sector can play in delivering these.
- ***Respect for the sector's independence*** – recognition that the sector can often reach groups that the Assembly Government cannot and provides innovation.
- ***Early and constructive dialogue*** – opportunities to discuss proposals well in advance of the formal application deadline and early in the budget planning cycle.
- ***Timely decisions*** – notification of grant approvals for each financial year by 31 December of the preceding year unless, in exceptional circumstances, notice has already been given of an alternative timescale.

- **Security of funding** – longer term commitments, subject to performance to support a sustainable approach to funding: up to 5-7 years for strategic core funding and commitment for the life of any specific projects which are funded, providing firm year one funding and clear baselines for subsequent years.
- **Fair funding levels** – Levels of funding for the sector should be determined no differently than for other sectors or agencies where increases for inflation and growth at least equal to inflation uplifts for public sectors can be built into bids.
- **Full Cost Recovery** – Levels of grant funding will be based on and reflect the principles of Full Cost Recovery.
- **Fair procurement** – procurement funding will be based on price, not cost, and will follow the good practice guidance set out by Value Wales in *Procurement and the Third Sector: Guidance for the Public Sector in Wales*.
- **Payment in advance** – provision for advance payment of grant, where a clear financial need is established, including those schemes provided by Assembly Government Sponsored Bodies and European funding provided through the Wales European Funding Office.
- **Fair and reasonable treatment** – prior discussion and reasonable notice before any policy changes or decisions which would lead to withdrawal or significant reduction of grants.
- **Joint approach to monitoring and evaluation** - the simplest procedures consistent with ensuring proper use of public funds.
- **Who does what best** – commitment to identifying where the Third Sector might take the lead in or contribute to the implementation of new policies, and ensuring that there are the appropriate funding mechanisms in place.

Assembly Government officials and Ministers will expect Third Sector organisations putting forward funding proposals to have taken account of the priorities and as set out in the Government’s strategic policy documents and the Assembly Government’s guiding principles of sustainable development; equality and social inclusion.

3. Q: What is a Third Sector organisation?

A: S.74 of the Government of Wales Act 2006 under which the Welsh Assembly Government’s Third (Voluntary) Sector Scheme is made states that that:

(2) in this section “relevant voluntary organisations” means bodies (other than local authorities or other public bodies) whose activities (a) are carried on otherwise than for profit, and (b) directly or indirectly benefit the whole or any part of Wales (whether or not they also benefit any other area)

'The Third Dimension: Strategic Action Plan for the Third (Voluntary) Sector Scheme' describes the common characteristics of the Third Sector as independent, non-governmental bodies, established voluntarily by citizens, who are motivated by the desire to further social, cultural or environmental objectives and are committed to reinvesting their surpluses into their objectives.

- **Independence:** an organisation must be constitutionally independent and not directly controlled by a for-profit organisation or the State. An organisation is recognised as being independent of the State or a for-profit organisation where there is a majority of non-statutory or not-for-profit bodies, appointees or representatives on its "board of trustees" and a majority of non-statutory or not-for-profit members;
- **Self-governing:** an organisation must have its own internal decision making process;
- **Non-profit distributing:** an organisation must make no payments (other than for reasonable out-of-pocket expenses or other payments allowed by the governing document e.g. for occasional professional services or for grants) to its members or trustees (unless the organisation is a community interest company, where any dividends paid are subject to the regulator's cap);
- **Voluntarism:** an organisation must benefit from a meaningful degree of philanthropy such as gifts in kind or of time, including volunteers and a majority of non-paid trustees. For example, any organisation that has at least three trustees who give their time is considered to benefit to a meaningful level;
- **Public benefit:** an organisation must be able to demonstrate that its objects and activities benefit the wider public and/or that it makes it benefits available to as wide a group of people as possible within its remit. Also, that it operates in ways that are open and inclusive rather than elitist and exclusive. The governing document should have a clause ensuring that, on dissolution, any remaining assets after the satisfaction of any proper debts and liabilities are redistributed to (a) similar organisation(s).

4. Q: What powers the Welsh Assembly Government have to directly fund Third Sector organisations?

The Assembly Government can provide funding to Third Sector partners to deliver services or administer grants or loans on its behalf. This is supported by Section 70 (1), (a), (b), (c), of the Government of Wales Act 2006 and Section 71 of the Charities Act.

5. Q: What types of Third Sector organisations will the Welsh Assembly Government directly fund?

A: Generally, the Welsh Assembly Government would consider funding Third Sector organisations operating on an all Wales basis.

6. Q: Will local groups qualify for Welsh Assembly Government funding?

A: The Welsh Assembly Government would not normally provide direct funding to local groups. Instead, the Assembly Government provides support to other agencies to deliver specific funding support at a local level. These organisations are better placed to provide targeted funding in hard to reach localities and communities.

7. Q: What funding will be made available?

A: The Assembly Government has different types of funding namely grants or procurement.

The Assembly Government has four types of grant funding:

- Strategic core funding of national organisations ;
- Specific project funding at a national level;
- Support to partnerships or national (all Wales) intermediary bodies in order for them to support specific projects at a local level;
- Start up funding for national organisations or networks or, through intermediaries, for local organisations

Third Sector organisations receive funding through procurement as well as grants.

GRANTS AND PROCUREMENT

The normal form of funding by the Welsh Assembly Government is grant funding. Sometimes it provides funding through procurement or contractual arrangements. This section clarifies the appropriate use of grant or procurement.

- *Grants*: funding that can be provided by the Assembly Government and other public bodies as a means of offering financial support to third sector organisations to enable them to undertake activities the Assembly Government and other public bodies wish to support. Grants may be aimed at assisting with the core costs of running and developing an organisation or more specifically to help it carry out a particular project or service. The grant giver is not contracting for a service that forms part of its own business.
- Procurement is the acquisition of good and services from third party suppliers under legally binding contractual terms, where all the conditions necessary to form a legally binding contract have been met. Such contracts benefit the contracting authority and are necessary for the running of its business or its statutory duty.

8. Q: What is strategic core funding?

A: This type of funding takes into account the strategic policy objectives of the Assembly Government and is made where Assembly Government wants to achieve long term policy objectives over and above specific prescribed areas of activity and sustainability. It enables the Assembly Government to ensure the capacity exists, and assists longer term planning and stability, within the sector. It takes in to account the objectives of the funded organisation and its need to operate efficiently and effectively.

9. Q: When will strategic core funding be applied?

A: Usually:

- where the activities of an organisation are complementary to the objectives of the Assembly Government and the organisation is better placed than the Assembly Government to deliver to particular sectors, groups or individuals;
- where the Assembly Government wants to support a particular target group; or
- where the Assembly Government recognises the implicit value of an organisation (its track record/strategic position) and its role in the wider Third Sector context and wants to support that role and is satisfied that appropriate financial management skills are available to the organisation.

10.Q: How long does strategic core-funding last?

A: Strategic core funding should form part of an ongoing relationship between the Assembly Government and the funded organisation over a long period. It should be based on a number of factors including:

- a clear understanding of the expectations that the Assembly Government has of the whole organisation (for example, informed responses to consultations or ongoing input on issues of joint concern);
- Best value according to a sustainable criteria;
- the availability of financial resources ;
- a mutually agreed framework for monitoring and evaluation that is proportionate to the funding provided;
- formal review processes that are proportionate to the funding.
- Where in-depth evaluation analysis of core funding is necessary, suitable funding should be provided in addition to the core funding.

11.Q: What is project funding?

A: In certain circumstances, the Assembly Government provides project funding to meet the costs of a specific piece of work or activity for an agreed period of time. It is good practice for project grants to be awarded for the duration of the project, subject to a satisfactory review of progress proportionate to the fund and the availability of resources. Project funding is provided on the basis of full cost recovery.

12.Q: Does project funding include core costs?

A: It is expected that for all applicants to use a full cost recovery model for project funding to ensure all costs associated with the project are met.

13.Q: Will Grant funding over a three or more years cycle be open to new applicants every year?

A: This may vary, although in practice it is unlikely that all three-five or seven year funding programmes will be able to accommodate new bids every year. Where funds are freed up from existing budgets owing to the completion of projects or new sources of funding are identified, these will be made available for new funding applications..

14.Q: Will organisations that campaign and help to develop policy be eligible for funding?

A: The Welsh Assembly Government will consider proposals to support organisations in developing their capacity and capabilities to contribute to the Assembly Government's policy formulation and to widen participation in decision-making, principally as part of core strategic funding.

15.Q: What is start up funding?

A: Start up or development funding is an investment in the capacity of an organisation to enable it to establish itself or to grow and develop in a particular direction, possibly in response to changes in the external environment.

16.Q: How will start up funding be applied?

A: It is recognised that organisations can take a long time to work towards a sustainable approach.

The terms and conditions for start up will usually:

- be for an agreed period of time though this can be quite a long period depending on the organisation.
- be explicit about the outputs of the initial funding and the longer term outcomes expected.
- the way in which progress will be monitored and evaluated proportionate to the funding
- provide a realistic exit strategy for the Assembly Government and the funded organisation at the end of the period of development funding.

17.Q: How will the Assembly Government procure work from the sector?

A. Welsh Assembly Government is increasingly introducing a sustainable procurement approach to contracting out work.

- The Assembly Government is committed to advertising all its contracts over the OJEU limit on the Sell 2 Wales website.
- The website www.sell2wales.co.uk has been developed by Value Wales as a free portal to enable Third Sector organisations as well as all Welsh businesses to register their interest in providing services, goods and works.
- Where services, goods and works are bought under the OJEU limits and within the internal threshold, the Assembly Government can purchase using grants.
- Value Wales, an Assembly Government sponsored body has produced "Opening Doors: the Charter for SME and Third Sector friendly Procurement." This Charter is part of a wider programme to deliver a consistent and sustainable approach across the public sector in Wales. The Charter is available on www.sell2wales.co.uk
- Local Authorities are encouraged to adopt a sustainable approach to funding in the context of both grants and contracts.
- Guidance on procuring from third sector has been produced by Value Wales and available on <http://new.wales.gov.uk/topics/improvingservices/better/vfm/publications/openingdoors/?lang=en>

The Welsh Assembly Government is committed to implementing the Value Wales guidance, including with reference to:

- Understanding the market through ongoing dialogue with the third sector;
- Consulting early on viability of policies, programmes and procurement strategies as part of a wider commissioning process
- Opening contract opportunities with third sector organisations by providing information about how to become a supplier, wide publication of contracts in accessible media, training and support.

- Focusing procurement on outputs / outcomes rather than processes to incentivise third sector organisations and capture their expertise and innovation
- Keeping it simple and proportionate – reducing complexity and bureaucracy, in turn reducing costs of procurement to third sector organisations.
- Using longer term contracts (e.g. 3-5 years) wherever possible
- Paying on the basis of the price agreed, with no clawback
- Payment in advance where the need for this is established

18.Q: Will the Assembly Government consider other forms of support such as the transfer of assets to the third sector?

A: The Communities Directorate of the Welsh Assembly Government is currently investigating the extent to which the recent Quirk review can be implemented in Wales. The results of the work is expected late 2008.

The areas that are being considered are:

- examining the barriers to successful implementation in Wales and how these could be overcome.
- Identifying possible sources of funding to support community asset transfer
- Developing a state aid framework which could be applied to potential asset transfer situations.

19.Q: Will the Assembly Government make loans available to Third Sector organisations?

A: There are currently no plans for the Assembly Government to make loans investment directly available to Third Sector organisations. However, the Assembly Government can provide support through partners or representatives to deliver specific loan investment opportunities to the third sector.

An information sheet on loan schemes in Wales is available from www.wcva.org.uk

20.Q: Will longer-term funding decisions include an increase for inflation?

A: The Assembly Government will apply inflationary increases. The inflation allowed for Third Sector organisations will be at least equal to the inflation uplift allowed for public sector.

21.Q: What happens if the Assembly Government does not comply with this Code?

A. Complaints about the implementation of this Code should in the first instance be addressed, in writing, to the Chair of the Funding & Compliance Sub-Committee, c/o Voluntary Sector and Inclusion Division, Welsh Assembly Government, Communities Directorate, Merthyr Tydfil Office, CF48 1UZ.

The complaint must be specific and should include:

- Nature of the complaint
- The section of the scheme or code of practice that is at issue.
- Supporting evidence
- Any evidence of attempts to remedy or resolve the issues.

Complaints are governed by The Welsh Assembly Government Code of Practice on Complaints, copies of which are available on request or on the Welsh Assembly Government's internet site at:

http://new.wales.gov.uk/contact_us/complaints1/?lang=en

Complaints about the implementation of the Code of Practice will be presented as an agenda item at meetings of the Funding and Compliance sub-committee of the Third Sector Partnership Council (TSPC). The Funding and Compliance sub-committee considers cases of alleged breaches of the Third (Voluntary) Sector Scheme including the Code of Practice. Its function is advisory and it does not have the powers to impose any resolutions. It may, however, make recommendations to the TSPC on cases that are unresolved. The TSPC will decide whether it wishes to make any recommendations to the Welsh Assembly Government on any matters highlighted by the sub-committee.

HOW DOES MY ORGANISATION APPLY FOR FUNDING FROM THE WELSH ASSEMBLY GOVERNMENT?

22.Q: How will organisations know what funding is available and when they should apply?

A: The Assembly Government publicises the funding available through a variety of means including the internet, press releases and other announcements. In addition, the Assembly Government maintains a Guide to Voluntary Sector grants which is updated annually. This Guide is available in hard copy from the Assembly Government's Voluntary Sector Branch and on the Internet <http://new.wales.gov.uk/topics/housingandcommunity/grants/voluntary/?lang=en>

Some of the Assembly Government's grants are administered by third party agents. In such cases the terms and conditions of the Code of Practice for Funding still apply. Advice on these grant schemes can be obtained from either the administrator of the grant or the relevant Assembly Government division.

23.Q. How can I find out about funding that is not published in the Guide?

A: The Guide now contains details of the Wales Council for Voluntary Action and County Voluntary Councils who can assist Third Sector organisations to identify potential sources of funding. The Guide also provides information and websites for Assembly Government Sponsored Bodies.

24.Q: Is there one point of contact for all Assembly Government grants schemes?

A: The Guide to Voluntary Sector Grants provides a point of contact for each of the Assembly Government grant schemes.

25.Q: How will application forms be published and distributed?

A: Publicity on funding available will include information on how to obtain application forms. While the Assembly Government aims for consistency in the way it publicises its grant schemes practical distribution arrangements may vary from scheme to scheme.

26.Q: How much time will be allowed for completion and submission of forms?

A: The Assembly Government will publish the timetable for each grant scheme before the application process begins. The application form and guidance which accompanies it will clearly state the date by which the application must be submitted. This will not normally be less than 12 weeks from the date applications are invited.

27.Q: How flexible will the Assembly Government be about how and when applications are submitted?

A: All applications should be submitted in accordance with the guidance which accompanies the application form. If this presents a particular problem, you should discuss this with the administrator/manager of the scheme, whose contact details will be included in the guidance notes. Officials will be as helpful as possible but must at all times act in a fair and even handed way.

28.Q: Is there a standard application form for all Assembly Government grants?

A: The Assembly Government aims to have greater consistency in application forms. The good regulation principles of transparency, accountability, targeting, consistency and proportionality will be embodied. Inevitably, the different nature of schemes is likely to mean that a single form is unlikely in itself to meet all information needs.

29.Q: Will application forms be available in different languages and in different forms

A: Application forms will be available in English and Welsh. Applications can be made in alternative formats to meet individual needs.

30.Q: Will the Assembly Government give advice on an application?

A: All application forms are accompanied by guidance notes on their completion. Questions about the scheme, eligibility issues and potential applications should be discussed with officials managing the particular scheme before an application is made. Officials will be as helpful as possible in an even handed way, but, for reasons of fairness they will not be able to give specific detailed advice.

31.Q: Will the organisation's locality affect the application?

A: Each grant scheme whether administered by the Assembly Government or Third Sector partners will have its own set of criteria which may in some instances set out specific locations/areas. This will be made clear in the guidance notes which accompany the application forms.

32.Q: What information will be required in support of an application?

A: The guidance notes will detail the required supporting information. Some examples are given below:

- Copy of organisation's constitution;
- Annual accounts that are compliant with the relevant legislation and regulation.
- Copy of organisation's last annual report; and
- Progress on the past years objectives (if previously funded).

33.Q: If the scheme requires match funding what is acceptable as match funding?

A: The Assembly Government will adopt a flexible approach wherever possible when determining the match funding requirement subject to any minimum requirements in a particular grant scheme.

Match finding may include:

- *Cash* – a financial contribution either from another funder or directly from the applicant's own funds;
- *Contributions in kind* – these can be donations of equipment, premises, materials etc or the donation of time by volunteers, expert advisors etc

Any claims in-kind should be substantiated and notional values placed on them.

34.Q: Can we apply to more than one grant scheme at the same time?

A: Yes. You can submit an application for more than one Assembly Government grant scheme as long as the eligibility criteria are met and the application makes clear that several applications are being pursued.

35.Q: Can we apply to non-Assembly Government funders at the same time?

A: Yes. Where successful applications to other funders directly relate to an application under consideration by the Assembly Government, the applicant should notify the Assembly Government when the outcome is known.

HOW DOES MY ORGANISATION APPLY FOR LOAN INVESTMENT FROM WELSH ASSEMBLY GOVERNMENT?

36.Q: How will my organisation know what loan investment finance is available in Wales?

A: Welsh Assembly Government does not administer loan investment opportunities directly but support third parties to administer loan finance.

37.Q: How can I find out about loan investment opportunities available to Third Sector organisations?

A: Wales Council for Voluntary Action and the county voluntary councils provide information on loan investment opportunities for Third Sector organisations.

38.Q: How will I be able to apply for loan finance?

A: It is advised to contact the loan investment provider direct and discuss the potential loan application with the loan finance staff. The particular loan investment provider will highlight their requirements and provide any information on the loan regarding deadlines, geographical eligibility, and organisational governance expectations.

39.Q: Is there a standard application process for all loan investment?

A: The good practice of transparency, accountability, consistency and governance is present for all loan providers. However, each provider has its own application process.

40.Q: Will the application process be available in any user friendly format?

A: All Welsh Assembly Government loan investment providers will provide the application process in both Welsh and English as well as formats to meet individual needs.

41.Q: Will the loan investment providers give advice on the application process?

A: All providers have guidance notes for applying for loan investment. It is advisable to contact the loan providers direct for assistance when applying for loan investment.

42.Q: What information will be required to support a loan investment application?

A: Each loan providers guidance notes will explain what supporting information is required for a loan investment application. Below are some example that might be required:

- Copy of the organisations business registration
- Annual accounts that are compliant with the relevant legislation and regulation.

- Business Plan

43.Q: If the loan investment is not sufficient for the project needs what is acceptable as match funding?

A: The loan providers will stipulate what is acceptable as match funding for the loan investment. Below are some examples

- Cash – a financial contribution from another fund, loan investment or from the organisations own reserves.
- In kind contribution.

WHAT HAPPENS TO OUR GRANT APPLICATION ONCE WE SEND IT TO THE WELSH ASSEMBLY GOVERNMENT?

44.Q: What stages does the Assembly go through in considering funding applications?

A: The assessment process follows the following stages:

- Acknowledgement
- Initial sift for eligibility and completeness
- Further detailed consideration of eligible applications – this may involve consulting others
- Officials advise ministers where appropriate
- Ministers make final decisions where appropriate
- Applicants are notified

During the assessment process officials cannot enter into discussion about the merits of individual applications. However, it may sometimes be necessary to request further clarification or additional information.

45.Q: How will we know that an application has been received?

A: The Assembly Government acknowledges receipt of all applications within 5 working days.

46.Q: Will we be notified if any information be missing?

A: An initial check will be carried out to ensure that the forms and required supporting information are complete. Any missing documents will be requested only if the applicant meets the eligibility criteria.

47.Q: Will we be told if the application is complete?

A: No, applicants will only be advised when applications are incomplete.

48.Q: Will we be able to discuss the application while it is under consideration?

A: For reasons of fairness, once the closing date for applications has passed it is not possible to discuss specific applications in detail, although on occasions it may be necessary for those considering the application to request further clarification or information.

49.Q: Can changes be made to an application after submission?

A: The Assembly Government will accept changes to applications already submitted if they are made before the closing date for applications.

50.Q: Who will consider the application?

A: Assembly Government officials responsible for individual grant schemes consider applications. In some instances applications may be circulated to other officials within the Assembly Government with specific, relevant, expertise, such as finance, legal etc. Sometimes it may be necessary for the Assembly Government to consult external statutory organisations or professionals with specialist knowledge of the subject area. Officials will then provide the relevant Minister with appropriate information to enable a decision to be made.

51.Q: How do we check on progress of our application?

A: A contact point for enquiries about each grant scheme will be included in the guidance notes. Enquirers will be provided with information about progress on the overall process but not on individual applications.

52.Q: When will we be notified of the Assembly Government's decision?

A: The timetable for each grant scheme is included in the guidance notes. Applicants will normally be informed of the outcome of a grant round within 8 weeks of the closing date.

Applicants whose application clearly does not meet the eligibility criteria of the scheme for which it is submitted will be informed as soon as the initial eligibility check is completed, usually within 2 weeks of the closing date for applications.

53.Q: How will decisions be announced?

A: Applicants will be informed of the decision by letter. A press notice may also be issued once the applicant has been informed. A list of successful applicants will also be placed on the Assembly Government's website at the same time.

54.Q: Will we be able to get feedback as to why an application was unsuccessful?

A: Yes. The Grant Scheme Manager should offer you the opportunity to discuss the reasons for decisions made about your application, either in writing, or in person.

55.Q: If an application is refused is there a mechanism for reconsideration by the Assembly Government?

A: No. Any queries the Assembly Government has with regard to applications will be dealt with during the assessment process and Ministers will base their decisions on the competing priorities and the funding available for a scheme.

Refusal for funding under a grant scheme does not preclude organisations submitting an application under future rounds of the same scheme provided they meet the eligibility criteria.

56.Q: What action can you take if you feel your application has been inappropriately refused?

A. Complaints may only be made on the basis that the requirements of the Code of Practice have not been observed. Complaints should in the first instance be addressed, in writing, to the Chair of the Funding & Compliance Sub-Committee, Voluntary Sector and Inclusion Unit, Welsh Assembly Government, Communities Directorate, Merthyr Tydfil Office, CF48 1UZ.

The complaint must be specific and should include:

- Nature of the complaint
- The section of the scheme or code of practice that is at issue.
- Supporting evidence
- Any evidence of attempts to remedy or resolve the issues.

Complaints are governed by The Welsh Assembly Government Code of Practice on Complaints, copies of which are available on request or on the Welsh Assembly Government's internet site at

http://new.wales.gov.uk/contact_us/complaints1/?lang=en

WHAT DO ORGANISATIONS WITH SUCCESSFUL GRANT APPLICATIONS NEED TO KNOW?

57. Q: Once our grant application is approved by the Assembly Government what happens?

A: The Assembly Government will issue a grant offer letter which will set out:

- the amount and period of grant;
- the purpose for which the grant is made listing any specific exclusions and restrictions or conditions (other than the Assembly Government's standard terms and conditions);
- standard terms and conditions;
- performance indicators and targets;
- monitoring and evaluation arrangements;
- arrangements for payment; and
- letter of acceptance to be returned by the grantee.

58. Q: What do we have to do when we receive an offer of grant?

A: You should check the information contained in the offer letter ensure that you understand and can comply with the conditions, targets and monitoring arrangements set out. If you have any concerns or queries you should discuss them with the Assembly Government officials responsible for the grant scheme. You should also consider whether the proposed payment arrangements are appropriate to your organisation's needs, and if necessary put forward for consideration an alternative profile. When you are satisfied that you understand and can meet all the requirements of the grant, you should sign and return the acceptance letter.

59. Q: How long will funding last?

A: This will depend upon the terms on which the application is made and approved. The Assembly Government considers the normal funding period to be three years, although there will be exceptions, such as short term project funding. Where funding is for more than one year indicative funding lines beyond the first year will be given at the time the grant is awarded. Continuation of funding will be subject to the organisation fulfilling the terms and conditions of grant.

60. Q: How and when will payments be made?

A: Payment arrangements will be set out in the grant offer letter. Subject to any requirements specified in individual grant schemes, payments will normally be made quarterly.

Payments will not begin until the letter of acceptance has been returned signed by the named contact.

61. Q: Can we obtain payments in advance?

A: The Assembly Government recognises that most Third Sector organisations do not hold large reserves and do not have the resources to undertake work and receive payment afterwards. Provision of funding for committed expenditure may be considered in advance of payment where the need is established.

62. Q: Can there be a flexible funding profile over a 5-7 year period (for 5-7 year grants)?

A: Yes. However, a flexible funding profile will need to be agreed at the outset between the Welsh Assembly Government and the grant recipient. Any subsequent changes will also need to be agreed in advance with the Welsh Assembly Government.

63. Q: How will the Assembly Government monitor performance?

A: When a grant offer is made, the Assembly Government will set out monitoring and evaluation arrangements which may involve:

- Regular written reports on progress on agreed objectives;
- Regular written financial reports, performance indicators and targets;
- An annual report on the agreed objectives over the past year if an organisation has received funding the previous year;
- Audited accounts on previous years funding;
- The Assembly Government carrying out monitoring visits.

Generally the monitoring requirements will accord with the size of the grant.

64. Q: If all the grant is not spent in a particular financial year can it be carried over to the next financial year?

A: In certain circumstances it may be possible to allow this. However, under the terms and conditions of the grant, the funded organisation should notify the Assembly Government of any anticipated underspends as soon as possible.

65. Q: Does our organisation have to employ a Consultative Committee of Accountancy Bodies (CCAB) accountant?

A: No. However, the Assembly Government would expect any organisation in receipt of grant aid to have as a trustee or senior officer someone who can demonstrate an appropriate level of annual accounts that are compliant with the relevant legislation and regulation.

66. Q: What advance notice will be given if an organisation is about to lose Assembly Government funding?

A: Withdrawal of funding should not come as a surprise to any organisation.

Funding is awarded either on a fixed term period, e.g. project funding, or for up to 5-7 years, when indicative funding lines are provided beyond the first year.

Funding will only be withdrawn within the current financial year if the grantee is in clear breach of its terms and conditions.

If the Assembly Government foresees a need to withdraw funding for any reason beyond the current financial year an appropriate exit strategy will be agreed with the grantee.

67. Q: In what circumstances would the Assembly Government withdraw funding beyond the current financial year?

A: It would be unusual for the Assembly Government to withdraw funding once it has given indicative funding lines. However, circumstances which could lead to it doing so include:

- Failure of the organisation to deliver on agreed objectives;
- Changes in the Welsh Assembly Government's policy and funding priorities;
- Financial and/or managerial irregularities within the organisation, including evidence that the grant funding is not being used for the purposes for which it has been given. In such circumstances the Assembly Government will reserve the right to reclaim grant funding.

68. Q: How will changes in priorities affect existing long term funding programmes? (e.g. 5-7 years)

A: The fact that long term funding has been agreed means that, during those years, funding should be at least equal to an inflation uplift allowed for public sector (subject to the outcome of the Assembly Government's budget process). That is not to say that the funding will not continue beyond the long term period. This will depend on the outcome of any future bidding rounds and whether the activity funded has been effective in meeting its agreed objectives.

69. Q: What happens to assets provided by the Welsh Assembly Government if a Third Sector organisation is dissolved?

A. on dissolution and *before* redistributing any remaining assets in accordance with the organisation's governing instrument:

- any remaining financial assets provided by the Welsh Assembly Government must be returned in accordance with the terms and conditions of grant. The Welsh Assembly Government may re-distribute these assets at its discretion..
- any remaining capital assets (for example computer equipment, buildings etc.) must be returned to the Welsh Assembly Government in accordance with the terms and conditions of grant. Such items may not be re-sold without the expressed permission of the Welsh Assembly Government. Any monies accrued from the re-

sale of items for which Welsh Assembly Government funding was received should also be returned. The Welsh Assembly Government may re-distribute these assets at its discretion.

WHAT HAPPENS TO OUR PROCUREMENT TENDER ONCE WE SEND IT TO THE WELSH ASSEMBLY GOVERNMENT?

70. Q: What stages does the Assembly go through in considering tender applications?

A: The tender process differs dependent on the value of the purchase but the overarching stages are as follows:

- Receipt of bids
- Evaluation of bids
- Award of contract

These stages become more involved the higher the value - see Purchasing Thresholds at Annex 2

71. Q: How will we know that a quotation/tender has been received?

A: The Assembly Government does not acknowledge receipt of quotes/tenders unless hand delivered/couriered to one of our offices and a receipt is requested.

72. Q: Will we be notified if any information be missing?

A: An initial check will be carried out to ensure that the forms and required supporting information are complete at the tender opening board. Any missing documents normally results in a ineligible bid excluding it from any further involvement in the process, however, on occasions the Assembly will contact the applicant to request missing information.

73. Q: Will we be able to discuss the quotation/tender while it is under consideration?

A: For reasons of fairness, once the closing date for return of tenders has passed it is not possible to discuss specific bids in detail, although on occasions it may be necessary for those considering the quotation/tender to request further clarification or information.

Evaluation criteria will be listed in the specification sent out to those organisations invited to tender.

74. Q: Can changes be made to a quotation/tender after submission?

A: The Assembly Government does not allow changes to quotation/tenders after submission even if before the tender return date.

75. Q: Who will consider the application?

A: Assembly Government officials responsible for the purchase consider quotation/tenders. In some instances applications may be circulated to other officials within the Assembly Government, with specific, relevant, expertise, such as finance, legal etc or to technical experts outside of the Assembly Government, where appropriate.

During the assessment process officials cannot enter into discussion about the merits of individual quotation/tenders. However, it may sometimes be necessary to request further clarification or additional information. This may include a request for the applicant to make a formal presentation.

76. Q: Will I need a sustainability policy:

The Welsh Assembly Government is committed to minimising the effect of its day to day operations on the environment and contractors are encouraged to adopt a sound proactive environmental approach, designed to minimise harm to the environment.

Factors to be considered should include areas such as:

- Adopting an environmental management system which includes focus on disposal of waste and packaging
- More efficient use energy and water
- Beginning to embed sustainability into the provision of goods and services supplied to the Welsh Assembly
- Use of recycled paper containing only post-consumer waste for all non-specialist printing whenever possible
- Reduction in carbon dioxide emissions from business travel by extending use of video conferencing and encouraging the use of low emissions vehicles
- Building an environmentally friendly work culture through training and high quality communication with staff

To assist applicants in considering these factors for this and/or future tenders, advice an environmental assessment is available free of charge from the following website www.netregs.gov.uk

Whilst on site the contractor should be aware of and actively support the Welsh Assembly Government's Environmental Policy Statement which will be made available in advance or on arrival"

77. Q: Will I need a Welsh Language Scheme:

The contribution of the third sector is invaluable for the continued and sustainable growth of the Welsh language as a thriving community language. One of the key aims of 'Iaith Pawb - The Welsh Assembly Government's Action Plan for a Bilingual Wales' is by 2011 that: *"more services, by public, private and voluntary organisations are able to be delivered through the medium of Welsh."*

Third Sector organisations have continually demonstrated a strong commitment towards the Welsh language; focusing service delivery on the linguistic needs and preferences of service users, often through implementing voluntary Welsh Language Schemes.

Many voluntary and non-statutory organisations exercise a function of a public nature or deliver a service to the public by agreement/arrangement with us or with another public body. When they apply to us for grant, they will need to satisfy us that they will meet the linguistic needs of the community or clientele for which the service, project or activity is to be provided. When we evaluate grant projects, we will check that organisations have met their linguistic commitments. All our voluntary sector grant schemes will incorporate these practices.

In funding and providing grants to a wide range of recipients, we will ensure that the principles of the Welsh Assembly Government's Welsh Language Scheme or the Welsh Language Scheme of the funding public body are followed.

We will state specifically what linguistic conditions (if any) apply. These may relate to the purpose of the grant/funding itself or to the way in which the body undertakes the activity which is funded. In some cases, when we award a substantial grant or provide major funding which constitutes a very high proportion of an organisation's capital or core costs we may specify that recipients should have their own Welsh Language Scheme. These schemes should be approved by the Welsh Language Board. The particular approach will depend on the nature of the grant and we will have regard to the Welsh Language Board's guidance on administering grants and loans.

Areas of provision where the Welsh language should be mainstreamed into strategic development should include:

- Service delivery (bilingual staff/volunteers)
- Dealing with the public (personal and impersonal)
- Public face (corporate image, website)
- Printed material (signage, posters, booklets)
- Bilingual administration (language awareness, staff skills development)

Ways of promoting the Welsh language and encouraging usage should also be considered when developing initiatives.

Further guidance on delivering bilingual services can be gained from contacting the Welsh Language Board on 02920 878000 or going to: www.byig-wlb.org.uk

78. Q: How do we check on progress of our application?

A: A contact point for enquiries about each purchase will be included in the invitation to quote/tender. Enquirers will be provided with information about progress on the overall process but not on individual quotation/tenders.

79. Q: When will we be notified of the Assembly Government's decision?

A: The timetable for each purchase is dependant on the complexity of the purchase and its value and will normally be included within the invitation to quote/tender.

If the bid is deemed ineligible at the tender opening board applicants will normally be notified within two weeks of the tender return date.

80. Q: How will contracts be awarded?

A: How contracts are awarded is dependent on value. Successful applicants will be issued a purchase order or contract award letter. Contracts awarded are also listed on Sell2Wales.

81. Q: Will we be able to get feedback as to why the tender was unsuccessful?

A: Yes. The Purchasing Officer will be able to provide feedback on your quote/tender in writing, verbally or in person.

82. Q: If a tender is refused is there a mechanism for reconsideration by the Assembly Government?

A: Not unless an organisation felt their quote/ tender had been inappropriately refused.

83. Q: What action can you take if you feel your tender has been inappropriately refused?

A. Complaints may be made in writing to:

Head of Corporate Procurement Services
Value Wales
Welsh Assembly Government
Cathays Park
Cardiff
CF10 3NQ

Appeals can also be lodged with the Head of Corporate Procurement Services for contract below the EU threshold. For EU contracts there is a 10 day standstill period to appeal against a contract award decision.

Complaints are governed by The Welsh Assembly Government Code of Practice on Complaints, copies of which are available on request or on the Welsh Assembly Government's internet site at

http://new.wales.gov.uk/contact_us/complaints1/?lang=en

84. Q: Where can I find further information on getting ready for the tendering process?

Information on tendering for the Assembly Government can be found on the Winning Our Business website

<http://new.wales.gov.uk/topics/improvingservices/better/vfm/smartpurchasing/wob/?lang=en>

WHAT DO ORGANISATIONS WITH SUCCESSFUL TENDERS NEED TO KNOW?

85. Q: Once our tender is accepted by the Assembly Government what happens?

A: The Assembly Government will issue a purchase order/contract award letter which will set out:

- Contract Start Date
- Contract Manager
- Contractual Documentation

86. Q: What do we have to do when we receive a purchase order/contract award letter?

A: You should check the information contained in the purchase order/ letter is correct. If you have any concerns or queries you should discuss them with the Purchasing Officer immediately.

87. Q: How and when will payments be made?

A: Payment arrangements will be set out in the tender documents but normally will be within 30 days of a correctly submitted invoice.

88. Q: Can we obtain payments in advance?

A: The Assembly Government does not normally make payments in advance for purchased goods/services.

The Assembly Government is aware, however, that some third sector organisations can have problems with working capital, and where a need is established, is prepared to make advance payments where appropriate.

89. Q: How will the Assembly Government monitor performance?

A: The tender documentation will set out the contract monitoring procedures for the purchase; this will vary dependent on the nature of the purchase, value and length of contract.

BODIES TO WHOM THE CODE OF PRACTICE FOR FUNDING APPLIES**Assembly Government Sponsored Bodies**

Arts Council of Wales
Care Council for Wales
Countryside Council for Wales
Environment Agency Wales
Health Professions Wales
Higher Education Funding Council for Wales
National Library of Wales
National Museums and Galleries of Wales
Qualifications, Curriculum and Assessment Authority for Wales
Royal Commission on the Ancient and Historical Monuments of Wales
Sports Council for Wales
Welsh Language Board
Agricultural Dwelling House Advisory Committee
All Wales Medicines Strategy Group
Ancient Monuments Board for Wales
Historic Buildings Council for Wales
Local Government Boundary Commission for Wales
Social Services Inspectorate for Wales Advisory Group
Welsh Centre for Post-Graduate Pharmaceutical Education
Welsh Dental Committee
Welsh Industrial Development Advisory Board
Welsh Medical Committee
Welsh Nursing and Midwifery Committee
Welsh Optometric Committee
Welsh Pharmaceutical Committee
Welsh Scientific Advisory Committee
Agricultural Land Tribunal
Mental Health Review Tribunal for Wales
Registered Inspectors of Schools Appeals Tribunal for Wales
Rent Assessment Panel for Wales
Valuation Tribunals (Wales)

NHS Local Bodies

The seven new NHS Local Bodies, announced by the Minister for Health and Social Services on 30th September 2008. (names will be inserted once known). In the meantime the current NHS Trusts and Local health Boards remain covered by the term so f the Code.

Community Health Councils

Board of Community Health Councils in Wales
Brecknock and Radnor CHC

Bridgend CHC
Cardiff CHC
Carmarthenshire CHC
Ceredigion CHC
Clwyd CHC
Conwy East CHC
Conwy West CHC
Gogledd Gwynedd CHC
Gwent CHC
Meirionnydd CHC
Merthyr and Cynon Valley CHC
Montgomery CHC
Neath / Port Talbot CHC
Pembrokeshire CHC
Pontypridd & Rhondda CHC
Swansea CHC
Vale of Glamorgan CHC
Ynys Mon - Isle of Anglesey CHC

PURCHASING THRESHOLDS (ALL FIGURES EXCL VAT)**Purchases Under £4,999 - No Competition Necessary**

The Assembly Government Purchasing Officer will contact an organisation for a quotation; they may do so by telephone, email or in writing. The organisation quote for the purchase. If the quotation is acceptable the Purchasing Officer will issue a purchase order to the organisation – this signifies award of the contract.

Purchases £5,000 - £24,999 - Informal Competition

The Assembly Government Purchasing Officer will contact several organisations for quotations (three as a minimum). Suppliers will be sourced via Sell2Wales. An informal invitation to quote will be issued to each organisation stating a return date. On this date the Purchasing Officer will open all bids received; the Purchasing Officer will then evaluate the bids and award the contract to the most economically advantageous quote. The Purchasing Officer will issue a purchase order to the organisation – this signifies award of the contract. Organisations will be notified of the timescales for the process in the invitation to quote documents.

Purchases £25,000 - £90,319 - Formal Competition

All purchases above £25,000 excl VAT are tendered via the Assembly Governments Corporate Procurement Services (CPS). CPS officers work with the Purchasing Officer to let the contract.

An advert inviting expressions of interest for the contract is usually placed on Sell2Wales. Expressions of interest are received by a specific date and evaluated against forewarned criteria. Suppliers successful at this stage are then formally Invited To Tender (ITT). Unsuccessful suppliers are notified in writing.

Invitation to Tender packs are issued to each organisation by CPS; Sealed bids in the format described in the ITT and using the Assembly Government's Tender label are received by CPS and securely stored until the specified tender return date/time. Shortly after this date/time a tender opening board, chaired by CPS is held – returned tenders are checked for signed declarations, priced schedules, completeness of the documentation and any obvious anomalies. The opened tenders are then passed to the Purchasing Officer for the evaluation process; an evaluation panel, including the Purchasing Officer, will then individually evaluate the tenders against the criteria specified in the ITT, the panel will then meet to reach a consensus. CPS then ratifies the process and award decision and issue the contract award/unsuccessful tender letters on behalf of the Purchasing Officer. Organisations will be notified of the timescales for the process in the invitation to tender documents.

Purchases Above £90,319 - Formal Competition Following Eu Public Procurement Regulations

An advert inviting expressions of interest for the contract is placed on Sell2Wales and in the Official Journal of the European Union. Expressions of interest are received by a specific date and evaluated against forewarned criteria. Suppliers successful at this stage are then formally Invited To Tender (ITT). Unsuccessful suppliers are notified in writing.

Invitation to Tender packs are issued to each organisation by CPS; Sealed bids in the format described in the ITT and using the Assembly Government's Tender label are received by CPS and securely stored until the specified tender return date/time. Shortly after this date/time a tender opening board, chaired by CPS is held – returned tenders are checked for signed declarations, priced schedules, completeness of the documentation and any obvious anomalies. The opened tenders are then passed to the Purchasing Officer for the evaluation process; an evaluation panel, including the Purchasing Officer, will then individually evaluate the tenders against the criteria specified in the ITT, the panel will then meet to reach a consensus. CPS then ratifies the process and award decision and issues an intention to award letter to each organisation on behalf of the Purchasing Officer, following the 10 day standstill period a contract award/unsuccessful tender letters are issued by CPS on behalf of the Purchasing Officer.

Competitions above the EU Threshold have to follow timescales defined by the EU - Organisations will be notified of the timescales for the process in the advert and invitation to tender documents

Following award of the contract an award notice is placed on Sell2Wales and in the Official Journal of the European Union.

SELL2WALES.co.uk

Sell2Wales.co.uk is the Assembly Governments primary supplier sourcing tool for all purchases. All Assembly Government purchasing opportunities over £25,000 are advertised on the site. In order for an organisation to be considered for Assembly contracts, regardless of value, they will need to register on the site and identify the types of goods/services they are interested in supplying. Sell2Wales.co.uk is also used by the wider Welsh Public Sector.

Assembly Government Terms & Conditions Of Contract

The Assembly Government contracts with suppliers on it's own Terms and Conditions. In order to supply the Assembly Government suppliers must agree to be bound by these Terms and Conditions.

For purchases below £25,000 acceptance of a purchase order signifies agreement. For purchases above £25,000 a Tenderers Declaration will be included within the tender pack, this declaration must be signed and returned to the Assembly along with the tender. A returned signed declaration signifies acceptance.

The Assembly Government has several different sets of Terms & Conditions dependent on the nature of the purchase. These include:

- Goods
- Services

- Consultancy
- Print
- Research

Copies of these documents are available from the Assembly Governments Corporate Procurement Services, for purchases over £25,000 a copy of the relevant Terms and Conditions will be included in the Invitation to Tender pack.