

3 Responsive and high-quality programmes and services

Undertakings for the Government:

- 3.1 Ensure that CSOs have a greater role and more opportunities in delivering public services by opening up new markets in accordance with wider public service reform measures and reforming the commissioning environment in existing markets.
- 3.2 Consider a wide range of ways to fund or resource CSOs, including grants, contracts, loan finance, use of premises and so on. Work to remove barriers that may prevent CSOs accessing government funding, thereby enabling smaller organisations to become involved in delivering services where they are best placed to achieve the desired outcomes.
- 3.3 Ensure transparency by providing a clear rationale for all funding decisions.
- 3.4 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 to be the best way of delivering the objective, explain the reasons for the decision.
- 3.5 Ensure well managed and transparent application and tendering processes, which are proportionate to the desired objectives and outcomes of programmes³.
- 3.6 Agree with CSOs how outcomes, including the social, environmental or economic value, will be monitored before a contract or funding agreement is made. Ensure that monitoring and reporting is relevant and proportionate to the nature and size of the opportunity. Be clear about what information is being asked for, and why and how it will be used.
- 3.7 Ensure equal treatment across sectors, including reporting and monitoring arrangements, when tendering for contracts.
- 3.8 Recognise that when CSOs apply for a grant they can include appropriate and relevant overheads, including the costs associated with training and volunteer involvement.
- 3.9 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.
- 3.10 Ensure that 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 this represents value for money.

3 In accordance with HMT Managing Public Money and the Green Book

- 3.11 Ensure all bodies distributing funds on the Government's 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.
- 3.12 Apply the Compact when distributing European funding. Where conflicts arise with European regulations, discuss the potential effects and agree solutions together
- 3.13 Encourage feedback from a range of sources on the effectiveness of the Government's partnership with CSOs and how successful it has been in delivering their objectives. Consider placing this feedback in the public domain.

Undertakings for CSOs:

- 3.14 Ensure eligibility for funding before applying and be explicit about how outcomes will be achieved.
- 3.15 Ensure robust governance arrangements so that organisations can best manage any risk associated with service delivery and financing models, including giving funders early notice of significant changes in circumstances.
- 3.16 Be open and transparent about reporting, recognising that monitoring, whether internal or external, is an aspect of good management practice.
- 3.17 Demonstrate the social, environmental or economic value of the programmes and services provided, where appropriate.
- 3.18 Help facilitate feedback from users and communities to the Government to help improve delivery of programmes and services.
- 3.19 Recognise that the Government can legitimately expect CSOs to give public recognition of its funding.