

Addendum to the New Newcastle Compact

1. GRANT FUNDING

1.1 Payments schedule for grants

Under normal circumstances payments will be made in instalments relating to the size of the proposed grant and the nature of the VCS organisation. The Council's current policy is as follows:

- Grants up to £4,999 will be paid in one instalment.
- Grants between £5,000 and £9,999 will be paid in two instalments.
- Grants of £10,000 and over will be paid in four instalments.

To obtain payment the funded organisation will:

- Make a statement that any previous grant has been spent or allocated for the purposes for which it was given
- Provide brief summaries of income and expenditure to date
- Produce a forecast of expenditure for the next grant period.

The VCS organisation will be able to validate this with proper records.

1.2 Performance Monitoring

The Council requests performance monitoring reports from VCS organisations on a timely basis. The purpose of these reports is to ensure that there is a regular mechanism of communication between VCS organisations and the Council. Monitoring reports will typically include performance information such as: Finances, Outputs, Outcomes and/ or Case Studies.

- Grants up to £9,999 one annual performance monitoring report
- Grants between £10,000 and £29,999 two 6 monthly performance monitoring reports
- Grants of £30,000 and over four quarterly performance reports.

1.3 Payment and monitoring flexibility

From time to time organisations face short term financial difficulties, particularly within the current financial climate. Although the financial parameters attached to payment frequency are felt to be proportionate to the amount of money received, there exists a degree of flexibility. A VCS organisation facing some financial difficulties can request a change to the terms of their payment schedule. An acceptance of such a request would be upon receipt of a 'compelling business case' of why this change was required.

1.4 Using underspend

Under the terms and conditions of the grant, the funded organisation will notify the council of any anticipated underspends as soon as possible. Should underspends occur within individual grants and where the council will allow the grant funding to remain with the funded organisation, a written agreement will be reached on how the grant funding can be used.

1.5 End of year flexibility

VCS organisations that are grant funded for more than one year and who are properly meeting the terms and conditions of their grant funding should be allowed to carry over a reasonable amount from one financial year to the next, proportionate to the size of the grant. Funded organisations must seek the prior written agreement of their grant funding directorate before they do this.

2 CONTRACTING

2.1 Contract value bands

The Council has different procedures for different contract values. For guidance on these procedures please contact the Council's Commissioning & Procurement Team.

Email: procurementgateway@newcastle.gov.uk