



Compact Advocacy case study: Ensuring fair funding

Background

A local Citizens Advice Bureau (CAB) had been funded for a number of years by its local council to provide advice services to individuals and groups. Funding for a three year grant was agreed in principle in June 2011.

What was the problem?

By September, although funding had been agreed and the CAB had started to deliver the advice services under the grant, they had not received any payments from the Council. This was because the CAB felt that they were unable to sign the Funding Agreement Form the Council had sent to them as it contained certain terms that they felt compromised the independence of their organisation.

Why was it unfair?

The contract contained terms which restricted the CAB from being free to be able to talk to the media or press, and also included clauses with imposed requirements on the CAB having to display the Council logo and give recognition to the Council funding in a certain way in the CAB premises.

The CAB felt that they could not sign up to these clauses as they did not want their ability to talk to the press limited (for example in support of a client that had come to them for advice), and that having a prominent display of the Council logo around the building could lead to individuals questioning the independence and impartiality of the CAB (in particular with regard to people who came seeking advice in relation to an issue that they had with the Council). When the CAB wrote to the Council to try and negotiate on these clauses, and suggested alternative wording which they felt was fair and proportionate, they were told that the standard clauses would remain and that if they did not sign the funding agreement no payments could be made to them,

What did the organisation do next?

The CAB manager contacted the Compact Advocacy Programme at NCVO. The Council did not seem to have an active Compact, so we gave advice that we felt that the clauses of the contract appeared to be inconsistent with the national Compact. Specifically, the undertaking that Government would:

1.1 Respect and uphold the independence of Civil Society Organisations to deliver their mission, including their right to campaign, regardless of any relationship, financial or otherwise, which may exist

Looking at the funding agreement, we also had concerns that they included a clause which enabled the Council to terminate the grant giving only one month's notice. This went against the Compact undertaking to:

4.4 Give a minimum of three months notice in writing when changing or ending a funding relationship

Furthermore, recently published statutory Best Value Guidance from the Department for Communities and Local Government also stated that three months notice should be the minimum provided to voluntary sector organisations by local authorities.

Compact Advocacy wrote to the Chief Executive of the Council setting out how we felt that the terms of the agreement were inconsistent with these best practice principles and asking for them to reconsider how their standard terms should apply to the voluntary sector. We received a positive response to the letter, and the following week the CAB met with the Council to discuss the issues.

What was the outcome?

At the meeting the Council confirmed that the suggested changes that the CAB had previously put forward on press activity and the display of the Council logo would be accepted and the funding agreement would be changed. The Council also said that the clauses around termination would be rewritten to include a three month notice period, and that all their funding agreements with the voluntary sector would now be revised and updated to include a three month notice period as standard.

This was a great outcome for the CAB as they were now able to sign a funding agreement that they were able to work under, and, most importantly, provide a fairly funded advice service. Having stood up for the organisation's independence had a really positive knock-on effect as well, leading to a practice change from the Council which all voluntary sector organisations being funded by the Council will benefit from.

Contact us! NCVO's Compact Advocacy programme provides advice and information on challenging unfair decisions affecting voluntary sector organisations. Call our advice line on 020 7520 3161 or email evsAdvice@ncvo-vol.org.uk.

www.ncvo-vol.org.uk/compactadvocacy