



PROGRAMMES & GRANTS

FUNDING PROCEDURES

2023-2027

FOR INTERNAL USE ONLY

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1. INTRODUCTION

The Probation Board for Northern Ireland (PBNI) “works to change people’s lives to enable safer communities through reducing re-offending”. To facilitate this, PBNI links with both the Community and Voluntary Sector and private sector who provide secondary support services to us as we carry out our core statutory functions.

The purpose of this document is to provide clarification regarding the framework for the distribution of funding and to outline the procedures through which those monies are allocated, managed and monitored by PBNI.

The procedures take into account the need for promoting best practice in reducing disproportionate bureaucracy in programmes and grant funding, whilst also ensuring that the appropriate measures are taken to effectively account for the distribution and management of public funds. PBNI aims to adhere to the Code of Practice Overarching Theme and Principles summarised at Annex A.

PBNI’s capacity to allocate monies and manage both programmes and grants in an efficient and effective manner is heavily dictated by the outcome and timing of our annual budget settlements. PBNI will seek to minimise the impact of any such delays by making all necessary preparations possible in advance of confirmation of annual budget allocations.

2. FUNDING FRAMEWORK

The framework outlines the 'routes to funding' available, of which there are four:

- (i) **Commissioned Programmes:** For PBNI priority secondary services, these may be commissioned via either a targeted or open call for **service providers** encompassing both the private sector and Community and Voluntary Sector. The funding duration will be for an initial one-year period, with the option of extension subject to satisfactory performance, demonstrable need for the service and budget availability.
- (ii) **Grant Aid:** For small scale projects where **grantees** will be sought exclusively from the Community and Voluntary Sector. The funding duration will be for an initial one-year period, with the option of extension subject to satisfactory performance, demonstrable need for the project and budget availability. This does not include the Community Service Grants Scheme which is renewed on an annual basis.
- (iii) **Funding through Strategic Partnerships:**
 - a. PBNI may enter into a joint delivery **programme** arrangement with strategic partners such as the Department of Justice (DoJ), the Northern Ireland Prison Service (NIPS), the Youth Justice Agency (YJA) and local government bodies. The funding duration will be for an initial one-year period, with the option of extension subject to satisfactory performance, demonstrable need for the service and budget availability.
 - b. PBNI may enter into a match-funding relationship with non-statutory partner(s). This arrangement may also involve other statutory partners. Whilst other partners may agree to a multi-year commitment, PBNI will only commit on an annual basis, with extension again subject to satisfactory performance, demonstrable need for the service and budget availability. Upon receipt of any request for a match funding commitment, the proposal will be considered by the relevant members of the Senior Leadership Team and a recommendation duly made. If agreement is reached, 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
- Providers of significant interventions funded by PBNI (excluding CS providers) to advise PBNI if any individual has a criminal conviction (for sexual or domestic violence offences). PBNI will then determine whether a disclosure panel is required.

(iv) **Contingency Provision:** PBNI may provide short-term funding to Community and Voluntary Sector organisations in circumstances where funding timelines are uncertain or business needs change. This funding is exceptional and will only be provided on a contingency basis to support services closely aligned to PBNI's own statutory functions (for example, an increase in community service referrals). Assistant Directors will have a lead role in identifying any services which require the contingency provision, obtaining details including but not limited to:

- 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

A recommendation for approval will be made to the Chief Executive (as Accounting Officer) in respect of any request for contingency provision. The Board will be notified of any contingency allocations.

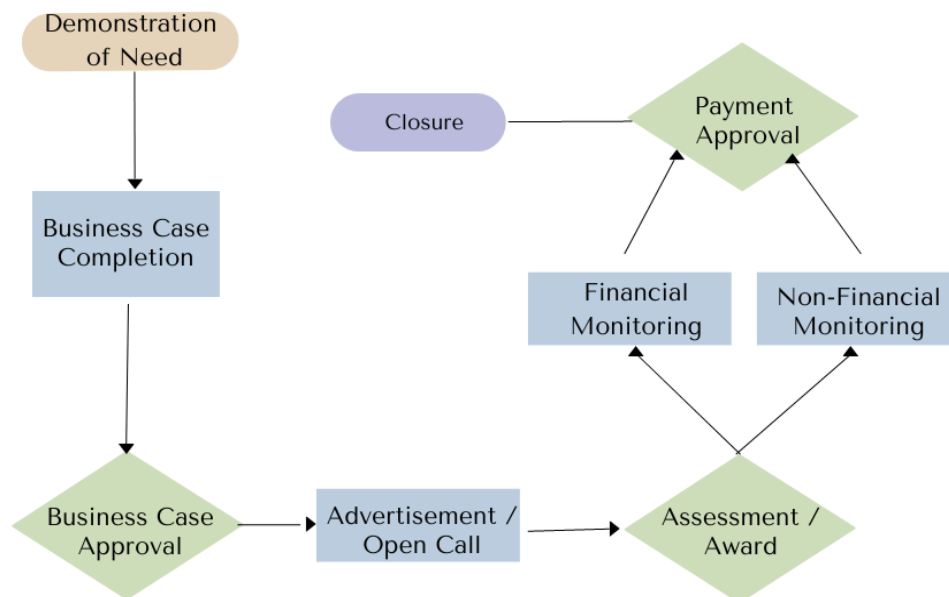
Short-term funding shall be capped at three months. Recipients of short-term funding will receive a letter of offer detailing the amount and services to be provided.

3. PROCEDURES

This section broadly outlines the procedures involved in the funding of programmes and grants, from the initial determination of need and completion of a business case through to closure.

It should be noted that only the 'key steps' of the procedures are documented. For further and more comprehensive guidance, please consult the documents referenced within Section 6: Content Manager Links and Reference Guides.

FUNDING FLOWCHART



Roles and Responsibilities

Identification of Funding Calls and Need

The funding allocation framework is in line with PBNI's Corporate Plans, with funding priorities set by the **Board** which will then inform any calls for applications to address matters such as employment, accommodation, addictions, mental health or Restorative Justice.

Business Case Completion

The Procurement and Grants Manager will assist the business case process by ensuring that the correct template is prepared for population and notifying the relevant **Assistant**

Director / Manager of the timeframe for completion. The Assistant Director / Manager should then complete the core components, supplemented where appropriate by assistance from the **Procurement and Grants Manager**.

Business Case Approval

The **Approving Officer** will be determined by case value in accordance with the PBNI Internal Financial Delegated Limits.

Advertisement / Open Call

The **Procurement and Grants Manager** will coordinate the process with input and direction where appropriate from the relevant **Assistant Director/s**.

Assessment of Applications / Funding Award

The **Procurement and Grants Manager** will coordinate the process of the assessment of applications, with decisions made by the requisite representation of the **Senior Leadership Team**.

Financial Monitoring

All facets of financial monitoring incorporating budget management, control and reporting, verification, financial performance and payments will be managed by the **Procurement and Grants Manager**, with input from the respective **Assistant Directors** and/or **Head of Finance and Estates** where necessary.

Non-Financial Monitoring

Whilst the **Procurement and Grants Manager** will coordinate the qualitative monitoring, it is the responsibility of the **Area Manager and/or the Assistant Director** to review and confirm if the conditions of funding are being met and if not, determine if any remedial action is required.

Payment Approval

Subject to the receipt of confirmation of adequate progress from the Area Manager and/or the **Assistant Director**, payment will be processed by the **Procurement and Grants Manager** and approved on Account NI by the **Deputy Head of Finance**.

Closure

The **Procurement and Grants Manager** will liaise with the relevant staff to ensure all contractual obligations have been met and final payments issued prior to formally recording the project, programme or grant as 'closed'.

3.1 Business Case

Business cases must be completed and approved in advance of any commitment to funding with proportionate effort used throughout commensurate with the level of expenditure. It is the responsibility of the respective Assistant Directors to complete the business case in a timely manner with assistance, where necessary, from the Procurement and Grants Manager.

The business case template for completion will be dependent on the anticipated total grant/programme cost, as outlined below:

Threshold (inc. VAT)	Content Manager link to Business Case template
Up to £25,000	PB1/23/0028163
£25,001 - £500,000	PB1/23/0028164
£500,001 - £2,000,000	PB1/23/0028165

Detailed guidance on business cases and expenditure appraisal is available via the following links: [Better Business Cases](#) and [Five Case Model Guidance](#)

3.2 Advertisement / Promotion of Funding Call

Upon approval of the business case and confirmation of an established need for a particular programme (or grant/s scheme), it must then be advertised accordingly. The guidance and supporting materials will incorporate – as a minimum – the following:

- Clear specification of requirements
- Application form
- Clear examples of ineligible expenditure
- Details of scoring criteria and methodology
- Confirmation of deadline for receipt of applications

The programme will be promoted via PBNI's website and social media channels, NICVA's Grant Tracker and any press deemed appropriate, dependent on scale, need and target

areas (if applicable). PBNI staff's network of contacts should be utilised to ensure a suitable level of publicity.

3.3 Evaluation, Eligibility and Appeals

An Evaluation Panel to assess applications will convene as soon as feasibly possible after the deadline for receipt of applications and will comprise of two Directors and the Head of Finance & Estates. Assistant Directors may be required to attend to provide clarifications and/or input in relation to applications received from their respective areas. In exceptional circumstances, the panel may comprise of only one Director if the other is unavailable within the required timeframe.

The Panel will assess each application against the criteria and individually allocate scores against the weighted scoring matrix which must be agreed in advance of evaluation commencing.

All Panel members must complete a Conflict of Interest Declaration and if an interest is declared, must remove themselves entirely from the process until all discussion and decision-making has been concluded.

The Panel will then determine budget allocation/s to be awarded.

All applicants will be notified of the outcome of their application in writing – signed by the Chair of the Panel – which may be issued electronically via email. For successful applicants, the notification will be in the form of a Letter of Offer. For unsuccessful applicants, the notification letter will also explain the right to appeal the decision.

For grant applications from Community and Voluntary Sector bodies, all relevant and up-to-date documentation must be either uploaded to the Government Funding Database or attached with the application. All such applicants must complete the Funders' Passport Declaration and the Policies and Procedures Declaration.

Applicants have the right of appeal to the PBNI 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 Evaluation 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.

3.4 Award

The Letter of Offer will be issued by the Chair of the Evaluation Panel, ensuring that the correspondence is copied to the relevant personnel, namely the Assistant Director, Area Manager, Head of Finance and Estates, Head of Communications and the Procurement and Grants Manager.

The Letter of Offer 'suite' of documents will encompass (but not be limited to):

- Letter of Offer
- Funding Agreement incorporating Specification
- Data Sharing Contract
- Annex A – Form of Acceptance
- Annex B – Bank Details
- Annex C – Confirmation of VAT Status
- Annex D – Press Release and Publicity Requirements
- Annex E – Expenditure Claim Form

- Annex F – Monitoring Report
- Annex G – End of Intervention Report

The service provider/grantee is obliged to review and complete the relevant documents and return to PBNI within 14 calendar days of the Letter of Offer date.

Section 9 of the Funding Agreement sets out the nature of eligible expenditure that can be incurred and also outlines a series of examples of ineligible expenditure.

Once this has been completed, PBNI staff should liaise internally and organise a meeting with the service provider/grantee to:

- Initiate a positive working relationship
- Provide clarification as to what PBNI's expectations are
- Afford the service provider/grantee the opportunity to raise any queries or concerns in relation to the programme/project.

The service provider must ensure compliance with PBNI's requirements on disclosure of past and current criminal convictions for staff who will be working with PBNI service users.

3.5 Monitoring

The purpose, targets and outcomes of a programme/project are clearly stated in the Specification section of the Funding Agreement. These are specific to each individual programme/project and all service providers/grantees are required to regularly monitor, evaluate and report on progress throughout implementation.

The nature, value, complexity and source/s of funding will inform the frequency and intensity of the monitoring requirements, however in general these are submitted on a quarterly basis. It is the responsibility of the Area Manager and/or the Assistant Director to review and confirm if the conditions of funding are being met and if not, determine if any remedial action is required.

All service providers/grantees will be subject to an annual verification of expenditure to be undertaken by PBNI, as per the terms outlined in the Funding Agreement. This incorporates a site visit to be conducted by the Programmes and Grants Manager, encompassing a review of documents (hard copy or electronic) including invoices, receipts, payroll records and bank statements (all where appropriate). In addition, the financial policies and controls are to be tested to ensure compliance with and adherence

to contractual requirements. These actions culminate in the production of a 'Verification of Expenditure Review' report which is reviewed and approved by the Head of Finance and Estates. If there are any significant issues detected these will be followed up and addressed as deemed necessary. Should there be any follow up action required by the service provider/grantee then this will be communicated accordingly.

3.6 Payments

PBNI operates a dual payments approach for programmes and grants:

- Payment in advance; and
- Payment in arrears.

In advance of commencement, each programme/project is assessed to make a determination as to which payment methodology is deemed most appropriate. Criteria considered includes risk, need and management requirements taking into account the best practice guidelines as set out in Annex A.

A payment timetable will be agreed with the service provider/grantee at the outset. This will indicate the methodology to be applied and the frequency and likely value of claims/payments.

For both advance arrears payment approaches, the service provider/grantee must complete an Expenditure Claim Form and submit to PBNI in a timely manner for processing. Payments will only be released upon receipt and approval of the quarterly monitoring report. For those paid in advance, the report for the preceding period must be approved; for those paid in arrears, the report for the current period must be approved.

Unless there are exceptional circumstances, 10% of all programmes/projects funding will be withheld until completion.

Examples:

- 1) Programme - £100k, paid in **arrears** (i.e. 'actual' expenditure)

Period	Claim Submission/ Payment	Value (£)
Q1 (April – June)	July	25,000
Q2 (July – September)	October	25,000
Q3 (October – December)	January	25,000
Q4 (January – March)	March/April	25,000

2) Programme - £100k, paid in **advance** (i.e. 'actual' expenditure)

Period	Claim Submission/ Payment	Value (£)
Q1 (April – June)	March	25,000
Q2 (July – September)	June	25,000
Q3 (October – December)	September	25,000
Q4 (January – March)	December	15,000
Q4 (January – March)	March/April	10,000

3.7 Closure

To officially consider a programme/project as 'closed' or 'complete', all final monitoring reports and financial expenditure claims must be received, reviewed and approved, with any other outstanding matters or issues satisfactorily resolved (e.g. audit queries).

4. GLOSSARY OF TERMS

PROJECT

A series of activities with set outcomes financed by small scale funding allocated to a Community and Voluntary Sector body.

PROGRAMME

A series of activities with set outcomes financed by large scale funding allocated to either a private sector or Community and Voluntary Sector body for priority secondary services.

GRANT / GRANT AID

Small scale funding allocated to a Community and Voluntary Sector body following a call aimed exclusively at the Community and Voluntary Sector.

CONTINGENCY PROVISION

Short term funding that could be requested to enable a Community and Voluntary Sector body to continue to provide services for the assistance of service users,

SERVICE PROVIDER

The recipient of funding to deliver a 'programme'.

GRANTEE / GRANT RECIPIENT

The recipient of funding to deliver a 'grant'.

Examples:

A grantee is allocated a grant to deliver a project.

A service provider is allocated funding to deliver a programme.

5. CONTENT MANAGER LINKS AND REFERENCE GUIDES

Below are details of useful Content Manager links to documents referred to within the main body of this Procedures document.

Topic	Details	CM Record Number
Business Cases	Business Case template (up to £25k)	PB1/23/0028163
	Business Case template (£25,001 - £500,000)	PB1/23/0028164
	Business Case template (£500,000.01 - £2,000,000)	PB1/23/0028165
	Better Business Cases	N/A
	Five Case Model Guidance	N/A
Evaluation	Conflict of Declaration template	TBC
	Government Funding Database (nics.gov.uk)	N/A
	Funders' Passport Declaration	TBC
	Policies and Procedures Declaration	TBC
Award	Letter of Offer	TBC
	Funding Agreement	PB1/23/0071326
	Specification	PB1/23/0071327
	Data Sharing Contract	PB1/23/0071331
	Annex A – Form of Acceptance	PB1/23/0071365
	Annex B – Bank Details	
	Annex C – Confirmation of VAT Status	
	Annex D – Press Release and Publicity Requirements	
	Annex E – Expenditure Claim Form	
	Annex F – Monitoring Report	PB1/23/0071328
Annex G – End of Intervention Report	PB1/23/0071329	
Annex H – Exit Questionnaire	PB1/23/0071330	

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 the earliest feasible opportunity to minimise 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.