



Cabinet Office

# Guidance for General Grants

Minimum Requirement Three: Complex Grants Advice Panel  
(CGAP)

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### Important Note

- ▶ This guidance applies only to general grants made by departments and their arm's-length bodies (ALBs) using Exchequer funding. It does not apply to formula grants or grant in aid. [Managing Public Money](#) and local guidance within government grant making organisations is applicable to those categories, and minimum requirements may be developed in future.
- ▶ Organisations' primary concern when administering grants is to have due regard to the 'Grants Functional Standard' (GovS 015) and the key documents referred to within it including [Managing Public Money](#). Nothing in this guidance is intended to contradict or supersede these. Furthermore, this guidance is not intended to be an additional spending control - departments retain accountability for decisions on grant expenditure.
- ▶ This guidance should be read in conjunction with the wider set of minimum requirements guidance documents (including the introduction). Further information and tools supporting this guidance can be found online through the [grants Centre of Excellence \(CoE\)](#). Further references and resources are highlighted throughout. It should also be read alongside organisations' internal guidance, where available, which will provide the departmental policy context.
- ▶ This guidance should be approached on a 'comply or explain' basis. It is important to consider flexibility and proportionality in adhering to the minimum requirements. As such there may be some specific instances where the requirements may not be met in full. In these instances, appropriate justification should be recorded within the business case or equivalent approval documents.

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## Minimum Requirement

New government grants, including those that are high-risk, novel, contentious or repercussive, as well as those undergoing a step-change in scope or funding, should be considered for submission to the Complex Grants Advice Panel (CGAP) for scrutiny and advice from subject experts.

### Purpose

1. *Minimum Requirement Three: CGAP* and the further guidance for general grants set out below, aims to ensure that there is expert scrutiny and challenge, where required, applied to the development of grant schemes, in particular during the design and development stage.
2. The CGAP is an independent, cross-government, expert panel, co-ordinated by the Cabinet Office Government Grants Management Function (GGMF). Referral to the panel is *strongly recommended* by Cabinet Office for all new schemes that are high-risk, novel, contentious, or repercussive, and for non-routine schemes undergoing a step change in scope or funding, which impacts the level of risk. In addition, some schemes are subject to *mandatory referral*, follow-up and reporting against the panel's recommendations (see paragraphs 12-14 below). Schemes which meet the definition above will be provided with advice on a *comply or explain* basis. This means departments will:
  - **adopt** the recommended approach as defined in Cabinet Office guidance; or
  - **demonstrate clearly** how their existing approach, policies and practices, will fully deliver against each particular standard, in an equally robust way.
3. The CGAP service is available to all organisations involved in the management of government grants. The CGAP provides expert advice, which can be used to support scheme owners with key decisions on the design of new schemes, for example; key financial and fraud risks and assessing value for money, and the recommendations from the panel can also be useful in informing discussions with senior officials and ministers, such as when seeking approval for the scheme's business case. Furthermore, the panel enables improved oversight of the developing grants landscape in the Cabinet Office, and promotes the sharing of knowledge and good practice across government.

## Grants Functional Standard: Key References

Mandatory requirements are defined by the word ‘shall’ in the Grants Functional Standard. The ‘shalls’ for the management of grants related to this minimum requirement have been extracted from the Standard and are set out below. *Please note that in some cases the information has been paraphrased for conciseness – refer to the standard itself for the full version.*

Area	Requirement(s)	Context	Reference	Page
<b>Governance:</b> Assurance	<p>It is recommended that new grants, which are high-value, high-risk, novel, contentious or repercussive, should be considered by an independent panel (the Complex Grants Advice Panel, see 4.4.6). Referral to the panel is <b>mandatory</b> for some grant schemes (see paragraphs 12-14 below).*</p> <p>Advice from the panel <b>shall</b> not detract from the accountabilities of those being advised.</p> <p><i>*This update will be reflected in the Grants Functional Standard in the next iteration.</i></p>	<p>The Complex Grants Advice Panel is an independent, cross-government panel of experts, co-ordinated and chaired by the Cabinet Office, responsible for providing advice and recommendations on design and administration for applicable schemes, to the senior officer responsible for a grant.</p> <p>The panel should meet regularly with the objective of:</p> <ul style="list-style-type: none"> <li>• increasing the efficiency of grant making;</li> <li>• improving the effectiveness of grants;</li> <li>• mitigating losses from fraud and error.</li> </ul>	<p>4.3.2 New general grants.</p> <p><i>Also refer to: 4.5.1 Complex grants advice pane.</i></p>	6
<b>Governance:</b> Roles and accountabilities	<p>[Organisations] <b>shall</b> have (at a minimum) the following roles:</p> <ol style="list-style-type: none"> <li>1. Senior responsible officer accountable for grants across government*;</li> <li>2. Accounting Officer;</li> <li>3. Senior responsible officer for finance in an organisation;</li> <li>4. Senior officer accountable for an organisation’s grants;</li> <li>5. Senior officer responsible for a grant;</li> <li>6. Grants champion;</li> <li>7. Grant manager;</li> <li>8. Specialist roles.</li> </ol> <p><i>*Central roles within the Cabinet Office</i></p>	<p>Government grants should be afforded the appropriate level of scrutiny by the grant-owning department, to ensure the government Grants Functional Standard for grants is being adhered to and grant funding is being administered effectively. These roles are essential to the management of grant funding, and whilst organisations may change the titles and division of responsibilities they shall have (at a minimum) the roles outlined.</p>	4.4 Roles and accountabilities.	9

## Overview

4. The CGAP is an independent cross-government panel, coordinated by the Cabinet Office Government Grants Management Function (GGMF), which provides insight, advice and challenge to departments in relation to the development of grant schemes. As set out in the panel's terms of reference, available on the [grants Centre of Excellence \(CoE\)](#), the CGAP contributes to the achievement of the GGMF's three key objectives to:
  - increase the efficiency of government grants administration;
  - improve the effectiveness of grant funding; and
  - reduce losses from fraud and error.

## Support Offer

5. The key objectives, above, can be further broken down in terms of the type of support the CGAP provides, including to:
  - provide advice and challenge in reference to new, high-risk grants, planned across government;
  - enable scrutiny and challenge in relation to the application of the Grants Functional Standard;
  - improve the strategic oversight of government grants, alongside the Government Grants Information System (GGIS); and
  - increase value for money and eliminate inappropriate practice.
6. The CGAP's focus is on planned government grant spend, where that is defined as higher risk (see [Minimum Requirement Seven: Risk, Controls and Assurance](#) for more information on the risk definitions). The panel brings together experts from across government in areas such as grants policy, commercial, finance, legal, subsidy control, analysis, digital, fraud, debt and the UK Devolved Administrations team, to provide advice across a range of issues.
7. The CGAP is typically chaired by the Head of the Government Grants Management Function. However, when a grant is subject to mandatory referral, meetings may be chaired by the Minister of State for Efficiency and Transformation, or a nominated deputy. Ministerial Private Offices or Special Advisers may attend and participate in CGAP meetings on a discretionary basis, where the development of grants relating to manifesto commitments are being discussed.
8. The CGAP assists with scheme development to avoid unnecessary duplication of effort, encouraging cross-government working and identifying alternative funding mechanisms, which might be more suitable than grant funding to deliver a policy objective. The panel can also advise on appropriate governance within a scheme's delivery chain. The breadth of the cross-government panel's expertise allows for the provision of advice that may not be available as a collective within any single department.
9. Departments should refer suitable grants to the CGAP for consideration, as early as possible within the scheme's lifecycle and in line with the CGAP schedule. Early engagement with the CGAP allows for a more detailed analysis and consideration. Details of the schedule of panel meetings can be obtained by contacting the CGAP

team by email: [cgap@cabinetoffice.gov.uk](mailto:cgap@cabinetoffice.gov.uk), to confirm availability and schedule a referral as required.

10. CGAP advice can be accessed in two ways: formal meetings for schemes with a higher value, complexity and risk profile, and via correspondence for schemes with a lower value and risk profile. The same process and referral template is used for all referrals, and the template should be completed ahead of the review meeting. Following the meeting, written advice will be provided, including the panel's formal recommendations. For further information contact: [cgap@cabinetoffice.gov.uk](mailto:cgap@cabinetoffice.gov.uk).
11. Typically, it is policy professionals involved in developing a grant scheme who make referrals to the CGAP, although it could also be the Senior Officer Responsible (SOR) for the scheme, or any other person involved in the governance process. The decision on which grants should be referred rests with the department or ALB, taking account of the guidance in this note – with the exception of schemes for which referral is mandatory.

### **Mandatory referral**

12. In January 2021, the Government Grants Management Function (GGMF) initially secured agreement, via the Domestic and Economic Implementation Committee (DEI), to introduce a mandatory referral and follow-up process for schemes related to manifesto commitments. The changes were formally applied to the CGAP in March 2021.
13. From 1 April 2022, the mandatory referral category was extended to include high-risk schemes that have a value of over £100m+ and which come under the following priority areas: Carbon Net Zero, Levelling Up, Strengthening the Union, Innovation, and Jobs and Skills. This was following an evaluation of the pipeline control, and agreement with Cabinet Office ministers that the mandatory referral category for the CGAP should be extended to include schemes that deliver against priority government policy.
14. From 1 April 2022, schemes subject to consideration for mandatory referral to CGAP will be selected using the flow set out in the table below.

Criterion	Question	Response
1	A commitment in the Government's Manifesto?	<b>Yes – mandatory referral</b> No – consider the following questions:
2a	Classified as one of the following: <ul style="list-style-type: none"> <li>● Net Zero</li> <li>● Levelling Up</li> <li>● Strengthening the Union</li> <li>● Innovation</li> <li>● Jobs and Skills</li> </ul>	Yes / No
2b	High-Value - in excess of £100m?	Yes / No
2c	Outside routine or core business or otherwise innovative, novel, contentious or repercussive?	Yes / No
2d	High-risk, including reputational risk?	Yes / No
<b>If 2a, b, c, d are all 'Yes', CGAP referral is mandatory.</b>		

### CGAP recommendations

15. Departments and ALBs are encouraged to incorporate CGAP advice into their management decisions. For mandatory referrals, individual recommendations which are deemed significant by the Minister of State for Efficiency and Transformation and rated red by the panel, will require the following action by the referring department:

- consider the recommendation and develop an appropriate response; and
- report to the CGAP team on the response to the recommendation as follows:
  - i. accepted in full;
  - ii. partially accepted;
  - iii. rejected.

The panel allocates a priority rating to all recommendations as set out below:

High	The panel considers that the recommendation will have a <i>significant</i> impact on the success of the grant scheme.
Medium	The panel considers that the recommendation will have a <i>moderate</i> impact on the success of the grant scheme.
Low	The panel considers that the recommendation will have a <i>minor</i> impact on the success of the grant scheme.



16. Where the recommendation is accepted in full, details of the action to be taken, including timelines, should be provided.
17. Where the decision is to partially accept or reject the recommendation, an evidence-based rationale for that determination, signed-off at an appropriate level within the organisation, must be provided to the CGAP team for reporting to the Minister for Efficiency and Transformation.
18. For non-mandated schemes, recommendations from the panel are not mandatory, however, details of the referral and a response to the advice and any action taken should be included in the business case or equivalent documents (refer to [Minimum Requirement Four: Business Case Development](#)). The scheme owner's response to the panel's recommendations can then be assessed through the departmental governance process and at the final sign-off by the finance, commercial and/ or policy lead. The CGAP team will routinely follow-up on all recommendations made by the panel, including for non-mandatory referrals. Insights from the panel also help to inform support provided by the CoE.
19. Referral to the CGAP does not replace internal scrutiny by grant making organisations, nor does it negate the requirement for legal advisers to be consulted on any legal issues in relation to the scheme. It is important to note that the CGAP does not seek to undermine the responsibilities or accountabilities of the Accounting Officer in departments, rather, it provides an additional layer of scrutiny and assurance for the design of individual schemes.

### Follow-up

20. All those who submit referrals to the CGAP are expected to provide feedback on the panel's recommendations and its impact on the development of the scheme. The CGAP secretariat or relevant GGMF Business Partner will follow-up on referrals one month after recommendations are issued by the panel, to ensure the advice has been appropriately considered and recorded.
21. Recommendations provided by the CGAP must, in all cases, be fully considered by the relevant organisation. If an organisation wishes to challenge the recommendations of the panel, a written justification must be provided, signed-off by an appropriate official. Such cases will be followed-up by a meeting with the Business Partner, or by exception, a further attendance at a CGAP meeting, usually in the case of red rated recommendations. Departmental participation in the CGAP will be monitored by the GGMF, including monitoring of mandatory schemes. To discuss a specific grant scheme, departments should email the GGMF via [cgap@cabinetoffice.gov.uk](mailto:cgap@cabinetoffice.gov.uk).

### Grants Pipeline Control Framework

22. The aim of the *Grants Pipeline Control Framework* is to increase the visibility of government grants at the earliest possible stage, to enable the GGMF to focus its resources and identify schemes where its support offer will have the most impact. The control requires departments to provide advance information on their proposed and in development schemes, which will enable the GGMF to offer appropriate

support for grant making organisations involved in the development of government grant schemes, via the updated Government Grants Information System (GGIS).

23. The GGMF will triage all general grants data entered into the pipeline, into two levels – those over and under £10m – and inform the grant scheme owners of the result of the assessment, indicating the level of support available and any ongoing reporting requirements to the GGMF. The CGAP will also review the grant scheme level and tailor its support accordingly. Process guidance for the framework can be found on the grants Centre of Excellence.

## **CGAP - Frequently Asked Questions**

### **Why should Departments refer a grant to the CGAP?**

24. The CGAP offers an opportunity for grant schemes to be reviewed by a cross-government panel of experts who are able to provide a greater breadth of advice and insight than might be found as a collective in any one department.

### **When should Departments refer a grant to the CGAP?**

25. New grants which are within scope should be referred to the CGAP as early as possible in the development cycle. Preferably at the policy development stage and prior to the final decision being made to use a grant mechanism. This will ensure that the panel members have the best opportunity to inform the development of the policy. It is also possible to seek additional advice from the panel at a later stage of development, once a grant scheme has previously been referred to the CGAP. Schemes that are undergoing a significant step change in scope or funding, should be referred to the CGAP as soon it is clear that such a change may be necessary.

### **Who is responsible for the referral?**

26. Departments are responsible for referring appropriate grants to the CGAP. If a department marks a grant as high-risk on the GGIS, but decides not to refer the grant to the CGAP for advice, the rationale for that decision should be captured in the business case. The GGMF's CGAP team will contact scheme owners and grant champions to discuss referral to the panel for manifesto schemes and other high-risk schemes.

### **Do the panel members need to see a business case?**

27. In order to make a referral to CGAP, departments should complete the CGAP referral template (found on the grants Centre of Excellence) and submit it using the central email address: [cgap@cabinetoffice.gov.uk](mailto:cgap@cabinetoffice.gov.uk). Use of the referral template enables the department to focus on key questions, and record any specific issues or questions they would like the panel to consider, when the grant is entered on to the GGIS and/or selected for referral. In some very high profile/ high-risk cases, a business case may be requested by the secretariat, to further support the CGAP discussion.

### **Who should attend the CGAP meeting?**

28. The Senior Officer Responsible (SOR) for the grant, or another suitable individual will be asked to provide an overview of the scheme and the issues to be considered, at the start of the discussion. It is strongly recommended that the department attends

the meeting, to enable a two-way conversation between the panel and departmental representatives, however, it is not compulsory for a departmental representative to attend the meeting.

### **What happens after the panel meeting?**

29. The discussion is summarised and the advice and recommendations provided by panel members will be circulated to attendees via a minute of the meeting. The draft minute will be circulated for review, five working days following the discussion, and finalised subject to comments.

### **Examples of issues the CGAP frequently offers advice on:**

- the rationale for a direct award;
- potential links with other grant schemes across government;
- loans, contract procurement or alternative funding vehicles or mechanisms that could provide better value for money than a grant;
- governance within the scheme's delivery chain to ensure strong delivery of objectives;
- risk, including fraud risk;
- blended finance, leveraging or other co-financing options that could be considered to improve value for money and/or reduce the cost of the scheme to government;
- funding optimisation; and
- subsidy control.

### **Examples of questions that can be asked of the panel:**

- Is this grant scheme best suited to a direct award or a competed award?
- What advice does the panel have on the challenges of long-term grant schemes?
- What considerations need to be made where there is a phased/ gated approach to funding?
- What is CGAP's view on the proposed approach to due diligence and the risk of fraud?
- Does the panel have any advice on possible evaluation measures other than those outlined in the referral documents?

### **Referrals and User Feedback**

30. The CGAP builds on the work of two previous grants advice panels that have been operated by the GGMF since 2017: the New Grants Advice Panel (NGAP) and the COVID-19 Complex Grants Advice Panel (C-CGAP).

31. In 2019/20 the NGAP considered 30 referrals for grant schemes worth over £2.58bn, providing funding across a diverse range of areas such as research and innovation, social care, education, the environment and international trade. The panel provided expert advice and recommendations, which covered a wide range of grant management specialisms including state aid, commercial implications, analysis, finance, legal, counter fraud and risk. Feedback received in 2019/20 in response to a

user survey showed a 94% satisfaction rate and 94% of survey respondents stated that they were likely to refer future cases for consideration by the NGAP.<sup>1</sup>

32. In 2020/21, the C-CGAP considered 77 referrals for grant schemes worth over £19.6bn, focusing on designing and delivering grant schemes at pace as part of the government's COVID-19 response. Advice focused on ensuring the delivery of value for money and social outcomes, whilst delivering at pace and mitigating key risks, and putting in place appropriate counter-fraud and due diligence measures and enabling effective post-award assurance. In 2020/21, 94% of scheme developers said they would use CGAP again if they were working on a different scheme.

## Further Resources

33. In seeking to comply with this minimum requirement, and in addition to the references and resources highlighted earlier in this guidance, departments may want to consider the following:

- Information on the Complex Grants Advice Panel - including an overview, the terms of reference, and referral template - can be found on the grants Centre of Excellence.
- Departments should also make full use of wider resources available through the [grants Centre of Excellence \(CoE\)](#).

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<sup>1</sup> Note that both percentages were based on scores of 3 or above on a scale of 1-5