



Cabinet Office

Guidance for General Grants

Minimum Requirement Three: New Grants Advice Panel (NGAP)

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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, although guidance for the latter grant will be developed in the future. 'Managing Public Money' and local guidance within organisations will continue to apply until then.
- ▶ 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 all grant expenditure.
- ▶ This guidance should be read in conjunction with the wider set of 'Minimum Requirements' guidance documents (including the Introduction). Further information about how to apply this guidance can be found in the following document: '**Grant Scheme Readiness: a guide to designing and developing a new government grant scheme**', available online through the ['Grants Centre of Excellence \(GCOE\)'](#). 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 and novel and contentious, as well as those undergoing a step change in scope or funding, should be considered for submission to the new grants advice panel (NGAP) for scrutiny and advice from subject experts.

Purpose

Minimum Requirement Three: NGAP and the further guidance for general grants set out below, aims to ensure that there is expert scrutiny and challenge applied to the development of grant schemes, in particular through the design and development stage. The NGAP is an independent, cross-government, expert panel, co-ordinated by the Cabinet Office Government Grants Management Function (GGMF). Referral to the panel is discretionary - it provides expert advice to support key decisions and discussions with senior managers and ministers. This consideration of complex questions, including management of key risks, value for money and adherence to the Functional Standard helps to inform the design of the scheme. Furthermore, the panel enables improved oversight of grants 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 Functional Standard which can be accessed [here on gov.uk](#). 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
Governance Framework: Assurance	The advice given by the [New Grants Advice Panel] is for consideration by the grant-making department, its acceptance is not mandatory, although if the advice is rejected, justification should be provided. Advice from the panel shall not detract from the accountabilities of those being advised.	The new grants advice panel (NGAP) is an independent, cross-government expert panel coordinated and chaired by the Cabinet Office. The panel should focus on and increase scrutiny and assurance in relation to government grant spend, where that is defined as higher risk. The panel should meet regularly with the objective of: <ul style="list-style-type: none"> • increasing the efficiency of grant making • improving the effectiveness of grants • mitigating losses from fraud and error 	4.3.2 New general grants <i>Also refer to: 4.4.6 New grants advice panel</i>	6
Governance Framework: Roles and Responsibilities	[Organisations] shall have (at a minimum) the following roles: <ol style="list-style-type: none"> 1. Senior officer accountable for grants across government* 2. Accounting officer 3. Senior officer accountable for finance in an organisation 4. Senior officer accountable for an organisation’s grants 5. Senior officer responsible for a grant 6. New grants advice panel* 7. Grant manager 8. Specialist roles 9. Use of third parties <i>*Central roles within the Cabinet Office</i>	Government grants should be afforded the appropriate level of scrutiny by the grant owning department, to ensure the government 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.	4.4 Roles and responsibilities	6

Overview

1. The NGAP is an independent cross-government panel, coordinated by the Cabinet Office Government Grants Management Function (GGMF) that provides insight, advice and challenge to departments in relation to the development of grant schemes. It is intended for new government grants over £100,000 that are high risk, high value, and/ or novel and contentious, or any other complex grants, which departments would like to be assessed, and any grants the GGMF deems high-risk.¹ As set out in the panel's terms of reference (available on the Grants [Centre of Excellence \(CoE\)](#)), the NGAP contributes to the GGMF's three key objectives:
 - reduce the cost of administering grants
 - improve the effectiveness of grant funding
 - reduce losses from fraud and error
2. These key objectives can be further broken down in terms of the type of support the NGAP 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 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.
3. The NGAP's particular focus is to increase the scrutiny of government grant spend, where that is defined as higher risk (see '[Minimum Requirement Seven: Risk, Controls and Assurance](#)' for more information on the risk fields). The panel brings together experts from across government in areas such as grant management, commercial, finance, legal, state aid, analysis, fraud and error and the Voluntary, Community and Social Enterprise (VCSE) sector, to provide input across a range of issues.
4. The advice that NGAP provides is wide ranging, and can include making links to other new or existing grant schemes - to assist with scheme development and avoid unnecessary duplication of effort, whilst encouraging potential cross-government working - and identifying alternative funding mechanisms such as loans or contracts / procurement, that might be more suitable than grant funding to deliver the policy objectives. Panel members frequently advise on related issues such as appropriate governance within a scheme's delivery chain and provide expert advice on a range of specific issues including fraud and error risk and state aid. 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.

¹ Grants rated high risk may include a number of risk factors in combination, which lead to a greater level of uncertainty in delivery terms, for example, a high value grant awarded to an organisation which does not have long a track record of delivery in government grants, and/ or where a grant is focused in a policy area which is new to the department or highly innovative. Novel and contentious grants and grants, which are awarded as a result of a Ministerial direction, should also be considered for a high-risk rating.

5. Departments should refer suitable grants to the NGAP for consideration, within the appropriate timeframe and the NGAP scheduling process. Early engagement with the NGAP allows for a more detailed analysis and consideration. The panel meets regularly throughout the year; details about upcoming panel meeting dates are circulated via departmental Grants Champions and can be found on the CoE. In exceptional cases when urgent advice is needed between NGAP meetings, the panel is able to offer written recommendations. If out of Panel advice is needed, please contact ngap@cabinetoffice.gov.uk with further details of the grant scheme.
6. Typically, it is the policy professionals that are involved in developing a grant scheme, who make referrals to the NGAP, although it could also be the Senior Officer Responsible (SOR) for the grant because they have responsibility for the scheme, or any other person involved in the governance process. The decision as to which grants to refer rests with the department, taking into account the guidance in this note.
7. Departments are encouraged to incorporate NGAP advice into their management decisions. 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 response can then be assessed through the departmental governance process and at the final sign-off by the finance and/ or policy lead. Insights from the panel also help to inform support provided by the CoE.
8. Referral to the NGAP does not replace scrutiny by departments, nor does it negate the requirement for departmental lawyers to be consulted on any legal issues in relation to the grant. It is important to note that NGAP does not constitute a new spending control, the panel is advisory only.
9. Those who submit referrals to the NGAP are expected to provide feedback about their experience and on the impact the Panel's recommendations have had on the development of the scheme. The secretariat for the panel follow-up on referrals, 1month after the discussion at the meeting, to ensure the advice has been considered and the formal responses recorded.
10. Departmental participation in the NGAP will be monitored by the GGMF, with new grants entered on to the GGIS that are identified as high-risk potentially being selected for review by the panel where deemed necessary. For further clarity about whether specific grant schemes are within the scope of, or should be referred to the NGAP (or for any other questions regarding the NGAP) departments should email the GGMF via ngap@cabinetoffice.gov.uk.

The Complex Grants Advice Panel (CGAP)

11. The CGAP is under development and will potentially replace the NGAP in the future. It is crucial that Departments do not confuse the work of the New Grants Advice Panel's (NGAP) with that of the Complex Grants Advice Panel (CGAP), which is a similar panel carrying out comparable actions, but may be mandated under specific circumstances, for specific types of grant scheme.

12. CGAP is being established to provide challenge and scrutiny to complex grant schemes, with a focus on:

- 2019 Manifesto Commitments;
- EU Successor Funds; and
- Novel and contentious or significant new domestic grant schemes

13. Referral to the CGAP will be drawn from a forward pipeline of grants, via the GGIS, that the GGMF deem meet the CGAP criteria listed above. Unlike the NGAP, which is discretionary, the CGAP is likely to include a mandatory element, subject to cross-government agreement.

14. Recommendations provided by the Panel shall, in all cases, be fully considered by the relevant department. In the event that the department wishes to challenge any of the recommendations provided by the CGAP, it shall report back with a rationale, which is signed off by the Senior Officer Responsible for the grant. This shall take the form of a written response in the first instance, with a follow-up meeting or attendance at a future CGAP, where the GGMF deems a further discussion to be appropriate.

NGAP - Frequently Asked Questions

Why should Departments refer a grant to the NGAP?

15. The NGAP 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 in any one department. Due to the fact that departments have no obligation to act on the recommendations of the panel, the NGAP provides a valuable opportunity for departments to have open and frank discussions with experts about how to reduce potential risks within their grant schemes.

When should Departments refer a grant to the NGAP?

16. Suitable new grants that are within scope, should be referred to the NGAP 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 NGAP. Grants that are undergoing a significant step change in scope or funding, should be referred to the NGAP as soon it is clear that such a change may be necessary.

Who is responsible for the referral?

17. Departments are responsible for referring appropriate grants to the NGAP - the GGMF will issue a reminder prior to each NGAP meeting, via departmental Grant Champions. Where a department marks a grant as 'high risk' on the GGIS, but decides not to refer that grant to the NGAP for advice, the reason for that decision should be captured in the business case.

Do the panel members need to see a business case?

18. In order to make a referral to NGAP, departments should complete the NGAP referral template (found on the CoE) and submit it using the central email address: ngap@cabinetoffice.gov.uk. Data to inform panel meetings is collected via the NGAP referral template, which is available on the Centre of Excellence or on request via the NGAP central email. Use of the referral template enables the referral to be distilled and focused on the key questions the referring department would like to be considered at the meeting - departments should 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 made be requested by the secretariat, to further support the NGAP discussion.

Who should attend the NGAP meeting?

19. Those within the Department who are responsible for referring the grant are encouraged to attend meetings and take part in the discussion. 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?

20. The discussion is summarised and the advice and any 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.

Some examples of issues the NGAP 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/ mechanisms that could provide better value for money than a grant;
- there is appropriate 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
- state aid.

Some examples of questions that can be asked of the Panel

- Is this grant scheme best suited to a direct award or 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 NGAP'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

21. *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.²

Further Resources

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

- Information on the New Grants Advice Panel - including an overview, the terms of reference, and referral template - can be found on the Grants Centre of Excellence (see link below).

23. Organisations should also make full use of wider resources available through the grants [Centre of Excellence and the Government Grants Academy](#).

² Note that both percentages were based on scores of 3 or above on a scale of 1-5