



Cabinet Office

Government Grants Landscape For the financial year 2018/19

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Foreword



Lord Agnew

Minister of State for Efficiency and Transformation

Every year the Government spends a significant portion of your money through grants. It is vital that this money is spent wisely and delivers real value. While many grant recipients spend taxpayers' money to provide vital services, too often, those who apply for and receive this money treat it as a gift, spend it on other things, and do so under agreements that prevent the Government from claiming that money back if misused.

My role in Government is to ensure that every pound we invest through grants, to stimulate economic recovery, drive innovation or fund the voluntary sector, is actively managed to drive outcomes that deliver real value for money.

Transparency is key to this ambition. I am delighted that we now are in a position to shine a light on how the Government spent grants in 2018/19. This enables you to hold us, the Government, to account.

The experts in the dedicated Grants Management Function are focused on the effectiveness and efficiency of grant spend. This includes publishing the Functional Standard for Grants, establishing clear spend controls and providing expert guidance and support to enable better grant design, development, management and evaluation.

I want to be able to say publicly, and show publicly, that we know where every pound has been spent, and we can demonstrate the value of that investment and where we can, we recover the money or stop the spend.

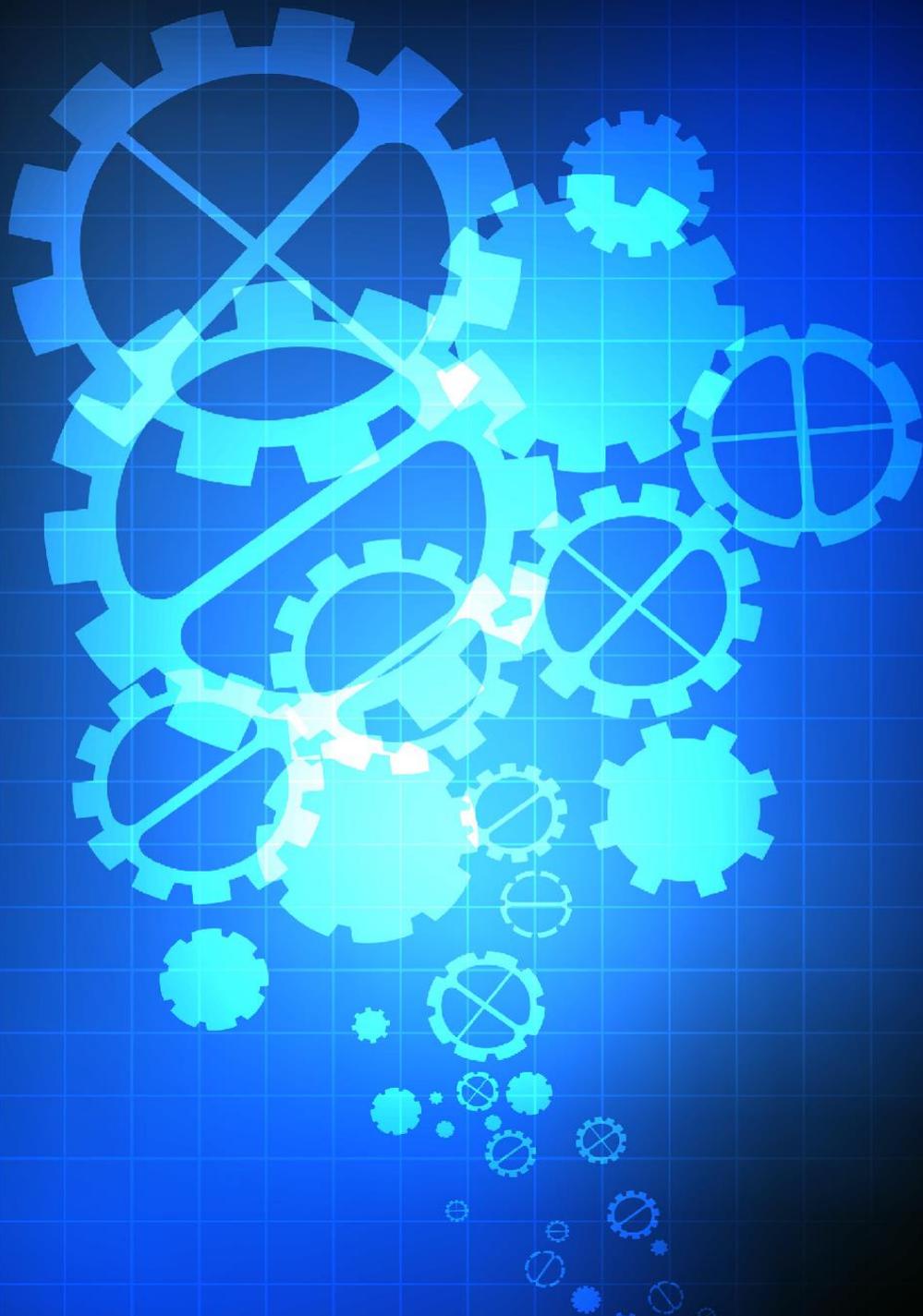
A handwritten signature in black ink that reads "Richard Agnew". The signature is written in a cursive style with a long, sweeping underline.

Lord Agnew

Minister of State for Efficiency and Transformation

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Executive Summary



Key Highlights

Grant Spending



£113bn in grant spending –
13% of total UK government expenditure

Grant Making Departments



17 grant making departments¹

Grant Schemes and Awards



running **1,556** schemes



115 formula
schemes

£46m average
formula scheme size



1,441 general
schemes

£1.7m average
general scheme size



44k general
awards²

£63k average
general award size²

¹ The figure of 17 includes HM Treasury who only give out Grants in Aid, so are otherwise excluded from this report.

² The average award value and total award count only include awards going to organisations, excluding those going to individuals.

Background

Grants are a vital tool for government and will be integral to economic recovery in Britain. They are a key enabler of government's ambition. They drive innovation and fund university research, which puts Britain at the cutting edge of science and technology. This attracts best in class talent and businesses to our country, stimulating a vibrant and dynamic economy.

Grants are also critical to fund the voluntary sector, to address challenging social issues such as domestic abuse, racial or social inequality. Grants are also the lever that Britain deploys internationally, to address concerns of poverty and inequality.

In these unprecedented times, with significant economic, environmental and societal opportunities and challenges, grants will be an essential funding route for government in realising its policy objectives, which include:

- Stimulating the economy
- Driving the leveling up agenda
- Increasing connectivity
- Targeting net zero emissions
- Remaining at the forefront of Research and Innovation following EU exit

Government is committed to increasing transparency, enabling taxpayers to hold the state to account both on how their money is being spent and how decisions are made which affect their lives. Alongside the need for transparency, we are also working to understand the wider need for this data (see the user consultation section of this report for more detail).

This report was produced by the Government Grants Management Function (GGMF). GGMF is the centre of excellence for grant-making across government, responsible for driving effectiveness and efficiency of grant spend.

Purpose of this report

As part of the transparency agenda, the GGMF collates and publishes the Government Grant Register to show how public funds are spent through the grants funding mechanism by all government departments and Arm's Length Bodies (ALBs). The Government Grants Register is the most comprehensive view of grant spending across government.

This report accompanies the release of the Government Grants Register for the financial year 2018/19. This report provides context to this grants data, an overview of grant spending and guidance notes on how the data has been compiled.

This publication is a milestone in fulfilling the government's ongoing commitment to provide transparency over grant spending.

In future, this report is intended to be published annually, in March.

Grant schemes and awards

Unlike contract/procurement (e.g. for the purchase of goods or services), grants are provided with the focus on outcomes and impacts of the activities being funded. Usually grants are awarded to finance (or reimburse expenditure on) these recipient activities in order to further the implementation of government policy or public interest, where it is neither appropriate nor possible for the government organisation to carry out those activities itself.

The 17¹ departments of government reported running 1,556 grant schemes during 2018/19. A grant scheme is created to deliver a specific policy outcome. A scheme usually includes many awards to different organisations or individuals but can also include just a single award to a specific organisation.

General grant schemes (which excludes grants where awards are established via a formula) had an average budget of £1.7m and the average award through these schemes was £63,000².

¹ The figure of 17 includes HM Treasury who only give out Grants in Aid, so are otherwise excluded from this report.

² The average award value and total award count only include awards going to organisations, excluding those going to individuals.

The data in this report

Quality

GGMF has been working closely with government departments to understand and resolve data quality issues; with this dataset being the most complete view of government grant spending published to date. See the section on data limitations for more detail.

Scope

The 2018/19 Government Grants Register data release covers:

- General grants (at both scheme and award level) and formula grants (at scheme level) across all government departments - See section on Allocation of government grants for definitions of formula and general grants
- Grants funded during the period 1st April 2018 – 31st March 2019
- Grants that are new for 2018/19 and, grants that were set up in previous years which have continued to be active in 2018/19
- Exchequer-funded grants (this excludes grants funded by devolved governments of Scotland, Wales and Northern Ireland); this includes overseas aid provided by the UK government as grants, but excludes grants made by the EU or the UK government contribution to the EU
- Any central government departments or arm's length bodies (ALBs) that manage exchequer funded grants.

This data does not include:

- Grants-in-aid – these are funds allocated from one part of government to another part of government, for example, central government funding for the running costs of non-departmental public bodies (NDPBs)
- Awards for formula schemes (it is intended in future releases of the grants data register that data for formula grants will be published at award-level).

Supporting documents

- Government Grants Register for 2018/19 – general and formula schemes, and general awards
- Summary tables underlying the charts in this report
- Statistics development plan

Statistical classification

This report is classified as Management Information. We are working towards classifying future versions of this publication as [Official Statistics](#). Our plan for this includes:

- Explaining the underlying dataset, limitations and caveats
- Publishing a statistics development plan
- Publishing a user consultation

User consultation

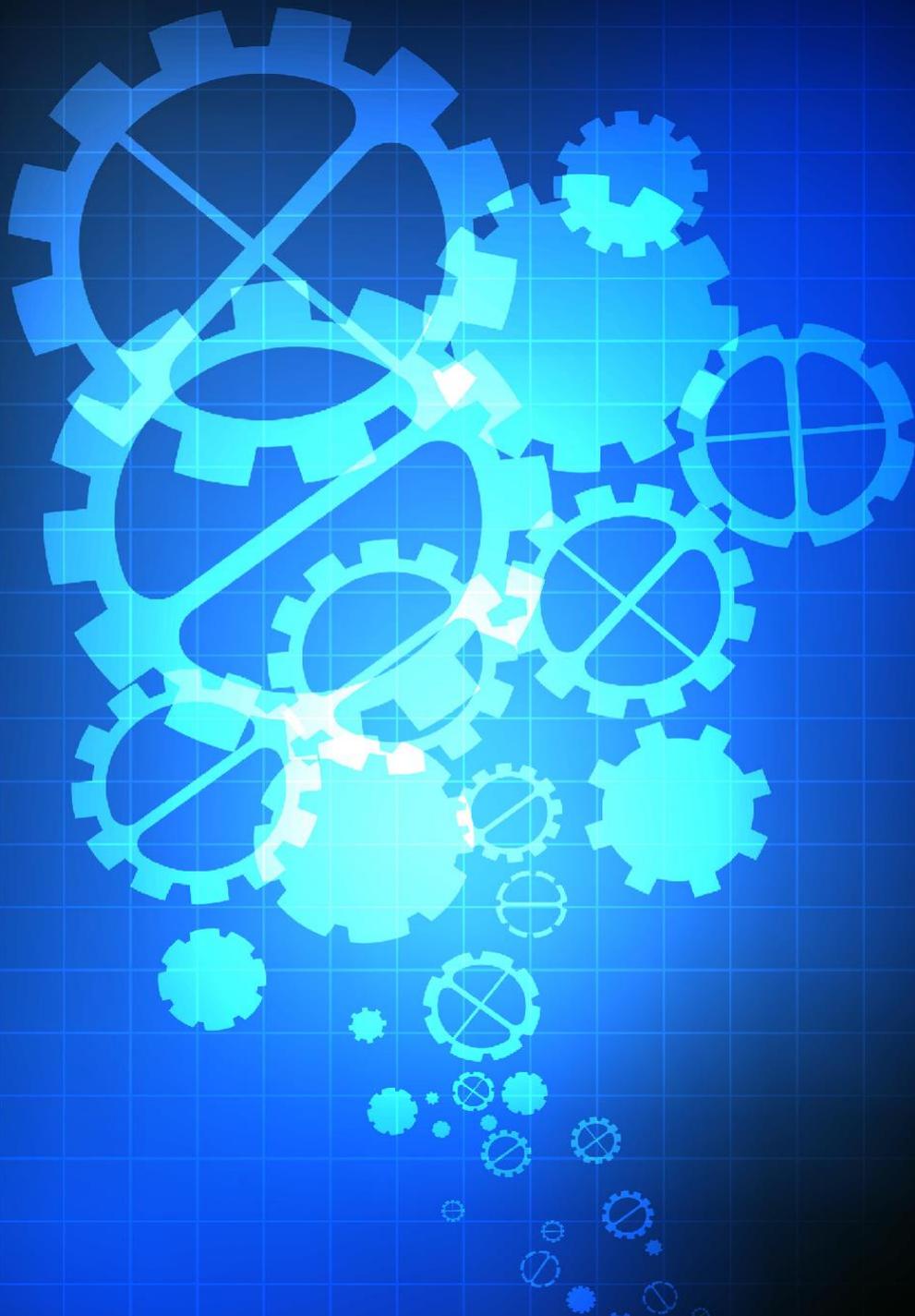
This is the first time we have published these statistics in this format, and we would appreciate your feedback. We have created a [feedback form](#) which we encourage you to fill out, if you use these statistics, to help us improve future publications.

Data limitations

The GGMF Analysis & Insight team is working to improve the timeliness, quality and value of the this data. The 18/19 Government Grants register constitutes the most comprehensive data publication to date and we are continuing to build on this progress. The details of this work are outlined in the associated statistics development plan.

There are a number of notes and caveats that will help inform the interpretation of this data. A summary of these can be found in the Notes section of this report.

Introduction to Government Grants



Introduction to government grants

Government grants are funds intended to be permanently transferred³ from a government organisation, to a grant recipient⁴, in order to fulfil a policy or public interest need. Grant spending accounts for around 13% of total UK government expenditure. Government grant funding plays an important role domestically, in areas such as education, research, civil society and innovation, and abroad through international aid projects.

Grants can be used for a number of purposes, including providing financial subsidy to deliver activities and outcomes, supporting government policy initiatives, and funding research, development and innovation. Examples of grant funding from 2018/19 include awards to the Green Climate Fund to support low carbon, climate-resilient growth in developing countries, Access to Work payments to support care workers, and 5G Testbeds and Trials to research innovative uses for mobile technology.

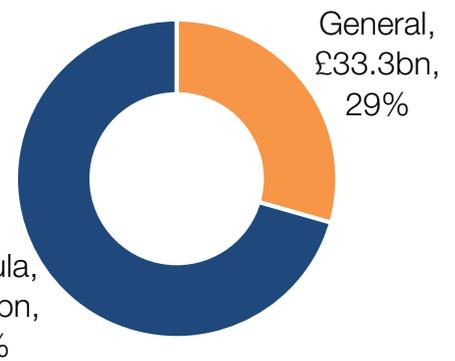


Figure 1: Proportion of grant spending by scheme allocation type

Source: Accompanying statistical tables – Table 1

Allocation of government grants

There are two allocation methods by which grants are issued:



Formula Grants: are those calculated by way of a formula. This funding is provided, in recognition of specific criteria, by central government to organisations such as local authorities, schools and the police. Funding is determined by factors relevant to the purpose, such as population and number of pupils who receive free school meals. These grants account for 71% (£79.8bn across 115 schemes) of government grant spending.



General Grants: allow the government to secure policy objectives which the market cannot, such as innovation and research, and they allow an effective funding route for the voluntary and charitable sectors, for example to address homelessness and regional inequalities. These grants account for 29% (£33.3bn across 1,441 schemes) of government grant spending.

³ unless unused or misspent

⁴ a third party that is separate from the government organisation

Examples of government grant schemes

Government grants account for £113bn of government expenditure. They are used to meet a wide variety of policy and delivery objectives. Below we summarise some examples.



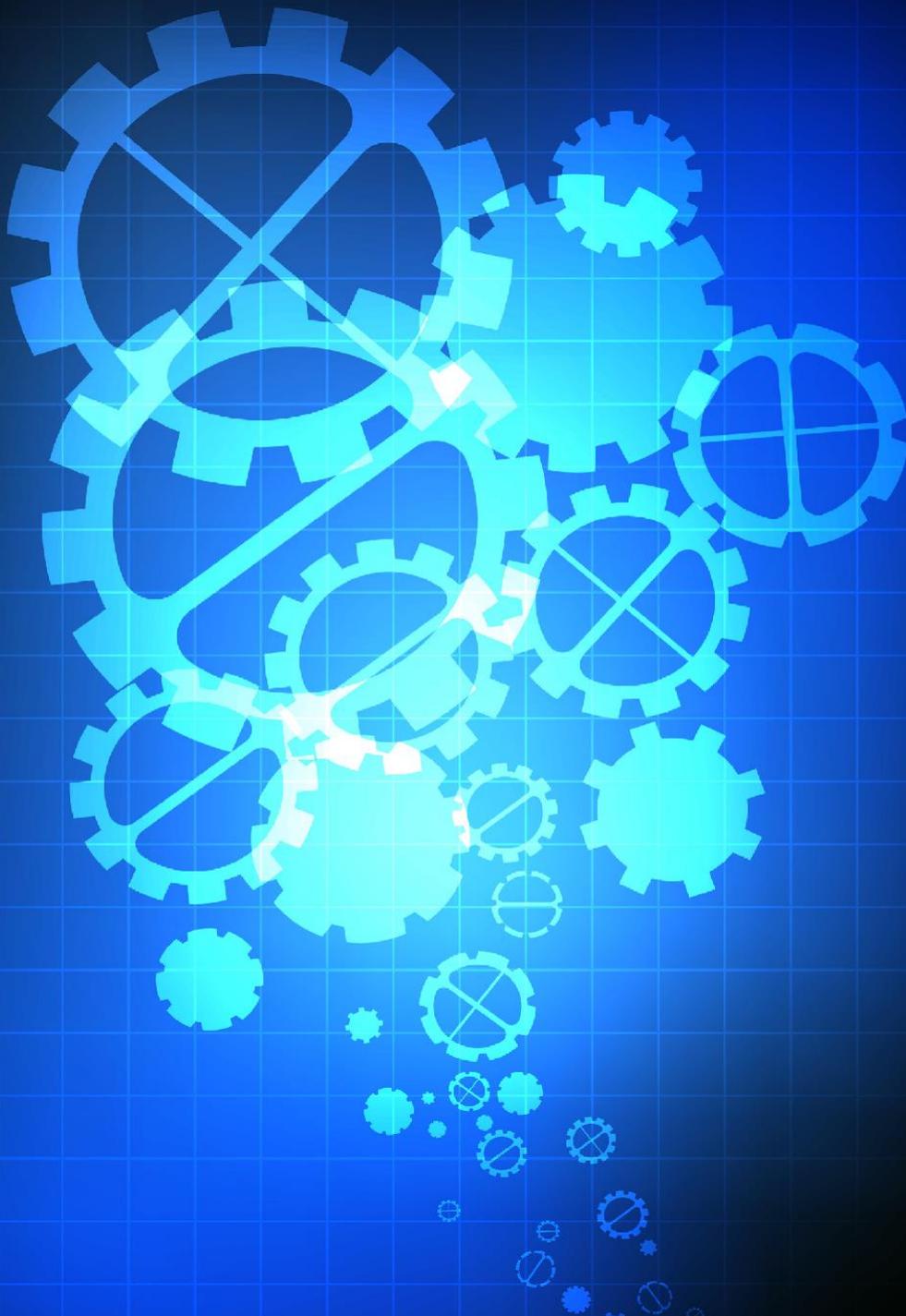
Formula grant schemes

- The Dedicated Schools Grant (DSG) is distributed by the Education and Skills Funding Agency. In 2018/19 this had a budget of £26.2bn and formed the main funding for schools, high needs and early years education.
- The Rough Sleeping Initiative delivery programme is a formula scheme that is used by MHCLG to fund Local Authorities. It is designed to implement the reforms required to halve rough sleeping by 2022 and eradicate it by 2027, including those set out in the 2018 Rough Sleeping Strategy and Delivery Plan. In 2018/19 this scheme was worth £34m.

General grant schemes

- The Innovation grants scheme, managed by Innovate UK (part of BEIS), covers £2.2bn worth of grants with the purpose of funding the UK's innovation sector.
- MHCLG's £1bn Local Growth Fund which funds to local enterprise partnerships for projects that benefit the local area and economy.
- The DfE's Priority School Building Programme - Private Finance Local Authority & Voluntary Aided School Revenue Grant. This scheme provides revenue funding for private sector organisations as part of Public Private Partnership to maintain the condition of selected repaired schools. This scheme was worth £750m in 2018/19.

The 2018/19 Government Grants Landscape

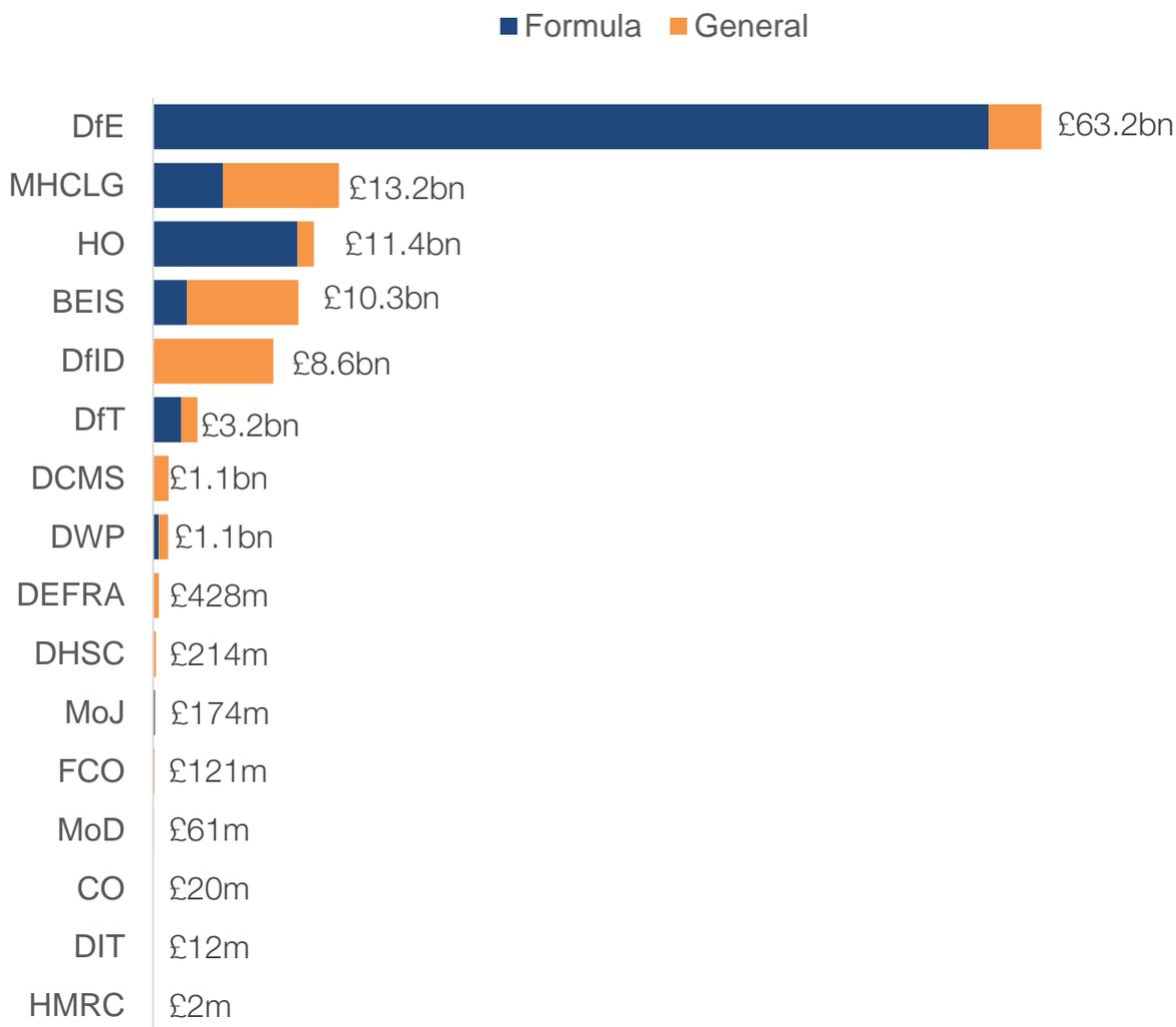


The 2018/19 Government Grants Landscape

The government spent £113 billion on grants in 2018/19. The Department for Education gives out the greatest amount of money as grants (£63bn). This includes the Dedicated Schools Grants and General Annual Grants schemes, which account for a combined total of ~£45bn. Large grant giving departments also include MHCLG, BEIS, HO and DfID⁵ – which together with DfE give out 94% (£107bn) of the value of government grants.

Figure 2: Total grant spending by department and allocation method

Source: Accompanying statistical tables – Table 1



⁵ DFID and FCO are reported separately throughout this report. This is because the data relates to the financial year of 2018/19 when these organisations were separate entities.



Formula grants

Formula grants are those calculated by way of a formula. This funding is provided, in recognition of specific criteria, by central government to organisations such as local authorities, schools and the police. Funding is determined by factors relevant to the purpose, such as population and number of pupils who receive free school meals. These grants account for 71% of government grant spending. They are generally much larger than general grant schemes, with an average (median) annual value of £46m.

The largest formula grant funder is the Department for Education (DfE) who provided almost £60bn in formula grant funding during 2018/19. This includes the Dedicated Schools Grants and General Annual Grants schemes, which account for ~£45bn (over half of all formula grants funding). Outside of the DfE, the next largest formula grant schemes are the Home Office’s £4.1bn Police Main Grant, and £2.8bn DCLG funding paid to local policing bodies.

Figure 3: Formula grant spend by department

Source: Accompanying statistical tables – Table 1

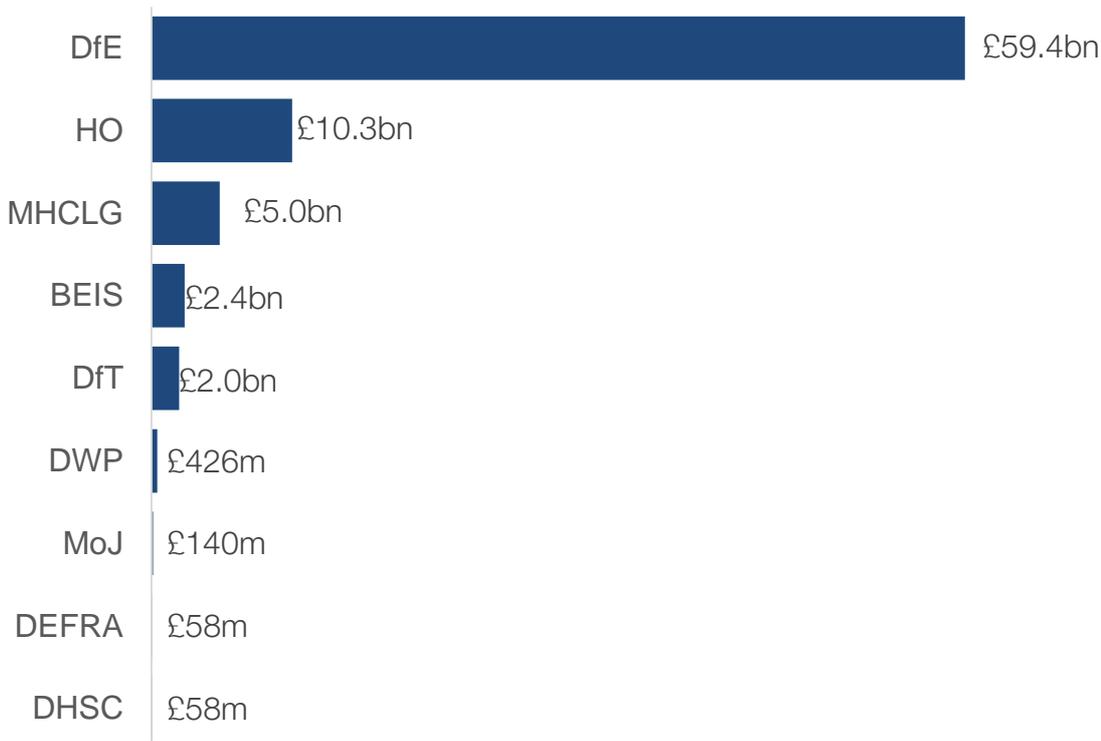


Table 1: The 10 largest formula grants schemes

Department	Scheme name	Purpose & objectives	Value
DfE	Education and Skills Funding Agency - Dedicated Schools Grant (DSG)	The main funding for schools, high needs and early years education	£26.2bn
DfE	Education and Skills Funding Agency - General Annual Grant (GAG) - nett of Pupil Number Adjustment (PNA), Risk Protection Agreement (RPA) etc.	Main funding for academies	£19.1bn
DfE	Education and Skills Funding Agency - 16-19 Education	Fund 16-19 further education and support	£4.2bn
HO	Police Main Grant 2018-19	Police Main Grant	£4.1bn
HO	DCLG Funding 2018-19	Part of the Police Grant Report set by the Home Secretary	£2.8bn
DfE	Education and Skills Funding Agency - Pupil Premium	Funding to improve the attainment of disadvantaged pupils and pastoral support for children of service families.	£2.4bn
HO	Police Pensions Annually Managed Expenditure Payment Grant - 18/19	Police Pensions Annually Managed Expenditure Payment	£2.1bn
MHCLG	Business rates	Compensates local authorities for Business Rates reliefs given	£1.9bn
BEIS	Research England main QR grant for 1819	QR is one half of the dual support system for high quality research	£1.5bn
DfE	Education and Skills Funding Agency - Adult Education Budget	Fund 19+ further education and support	£1.3bn



General grants

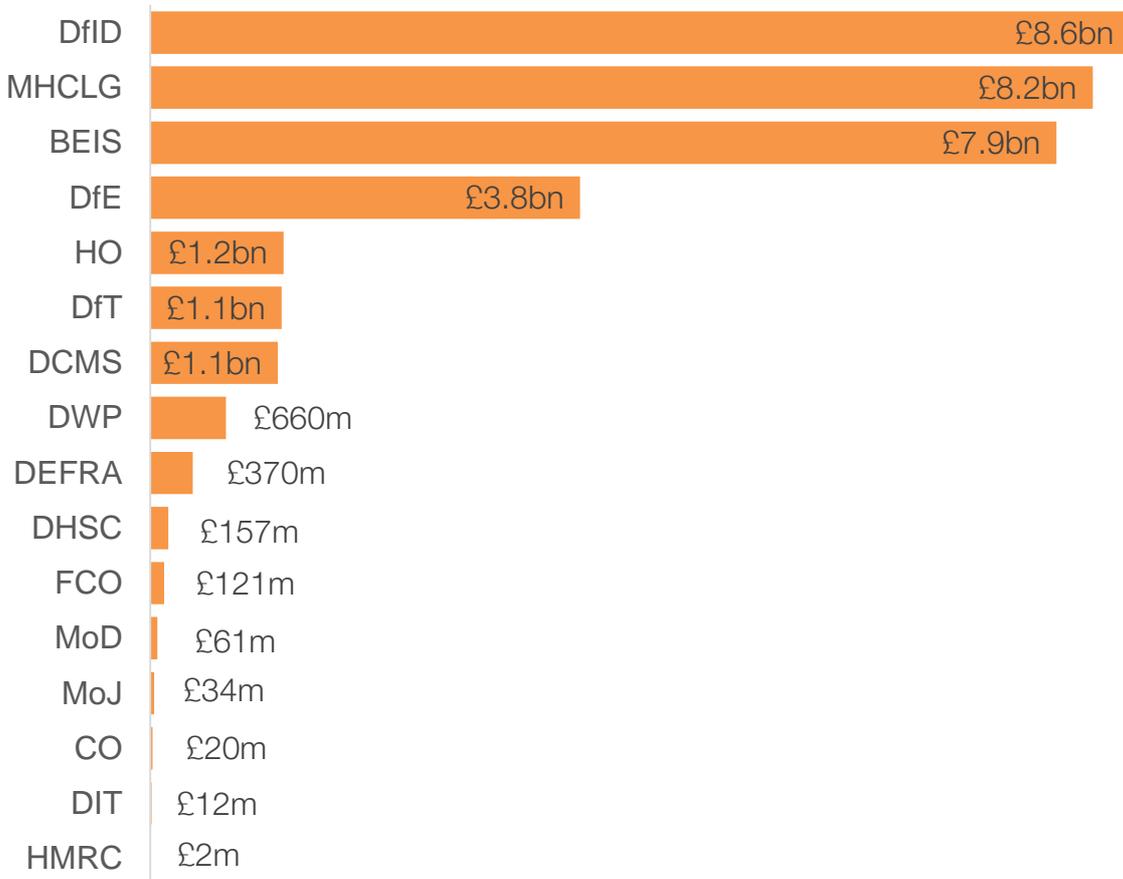
General grants allow the government to secure policy objectives which the market cannot, such as innovation and research, and they allow an effective funding route for the voluntary and charitable sectors, for example to address homelessness and regional inequalities.

General grants account for 29% of all grant spending, and 93% of the volume of grant schemes. The average (median) general scheme value is £1.7m per year.

The largest general grant maker in 2018/19 was the Department for International Development which spent £8.6bn on general grants.

Figure 4: General grant spend by department

Source: Accompanying statistical tables – Table 1



There are three means by which general grants are allocated to recipients:

Competed - applications are invited and evaluated, with awards made based on the outcome of the application. In 2018/19 these grants had a total value of £13.6bn. As per The Grants Functional Standard, competition should be the default allocation method, wherever appropriate.

Un-competed - grant that is awarded to a single organisation or individual without a competition, for example where there is only a single organisation that has the capability of delivering the objectives. In 2018/19 these grants had a total value of £13.4bn.

Criteria - disseminated based on specific qualifying criteria, for example grants to assist those affected by floods. In 2018/19 these grants had a total value of £5.6bn.

We can classify grants by their area of economic activity using their Classification of the functions of government (COFOG) classification. COFOG defines the broad objectives of government activity.

The UK government classifies £10.3bn of its general grants spending as **General Public Services** – this includes foreign aid (£8.6bn). **Economic affairs** is the second largest classification and includes grant funding for R&D (£6.4bn) and transport (£0.8bn).

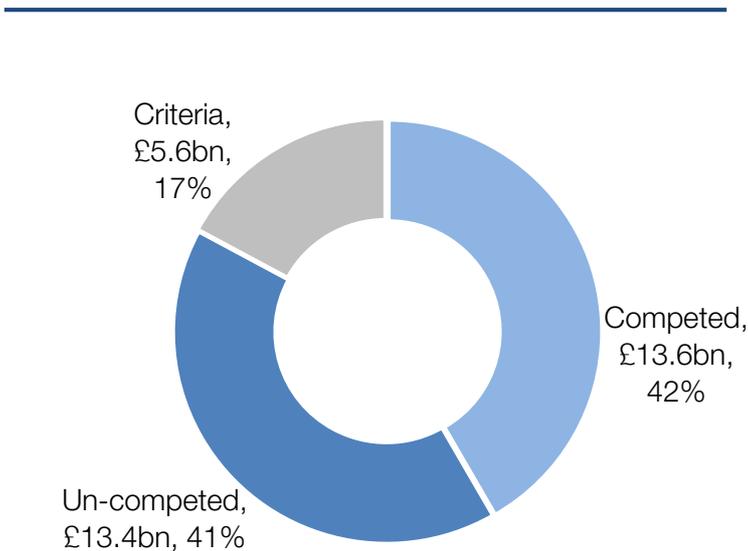


Figure 5: Total value of general awards by general allocation type

Source: Accompanying statistical tables – Table 2

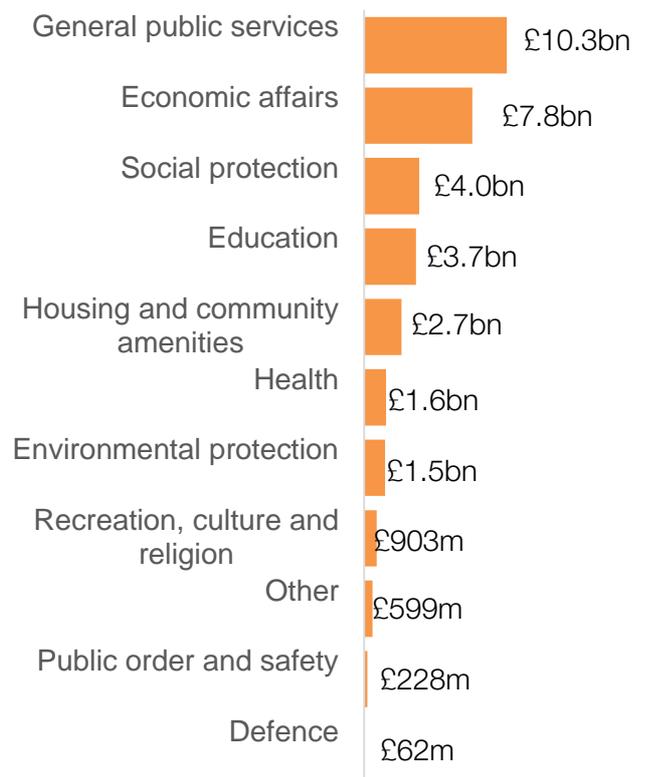


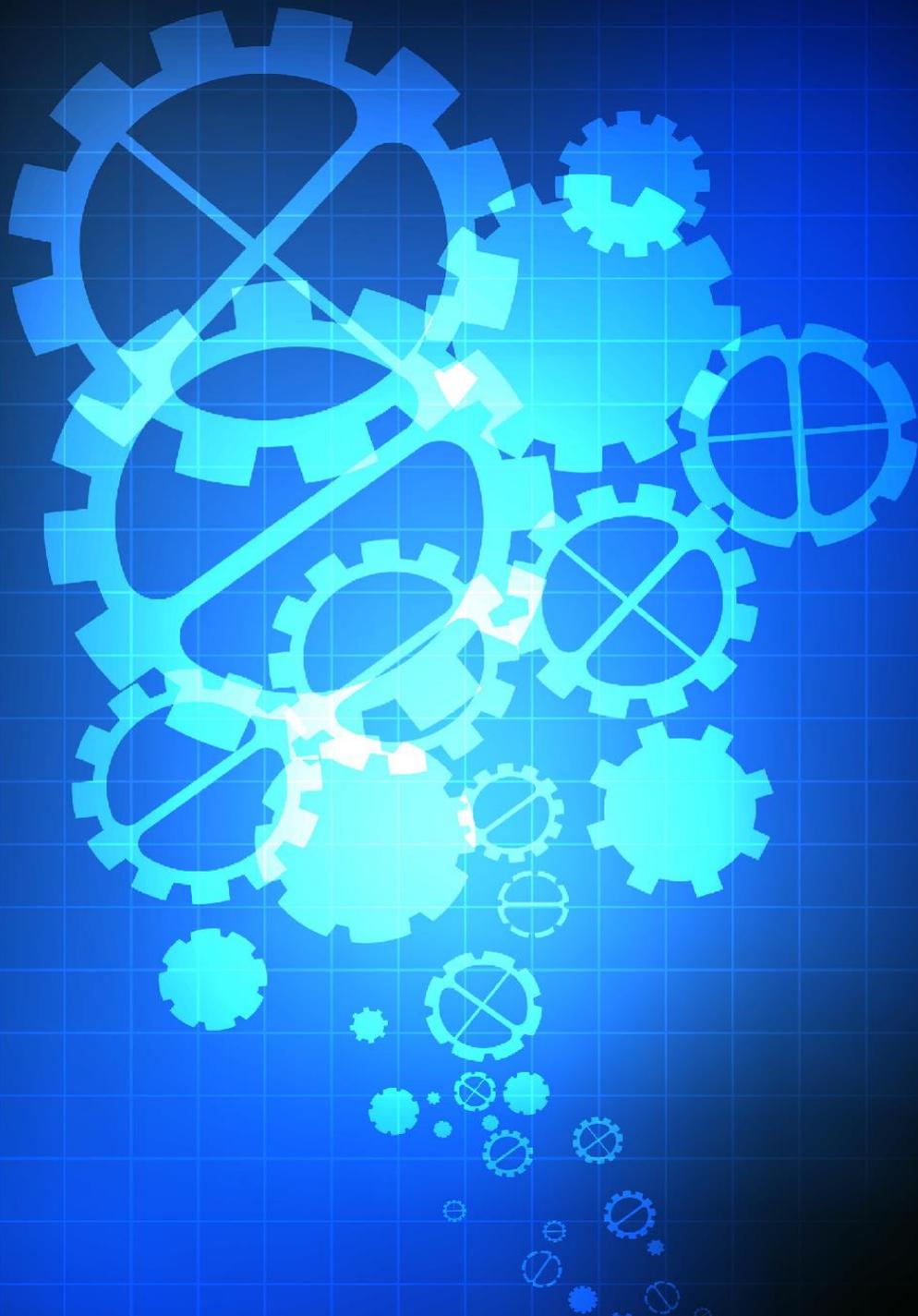
Figure 6: Value of general grant schemes by economic classification (COFOG)

Source: Accompanying statistical tables – Table 3

Table 2: The 10 largest general grants schemes

Department	Scheme name	Purpose & objectives	Value
BEIS	Innovate UK - Innovation grants 18-19	To fund the innovation sector of the UK	£2.23bn
DfID	International Development Association 18th Replenishment (IDA 18)	UK contribution to the 18th Replenishment of the World Bank International Development Association (IDA 18) to support the World Bank to continue to promote economic development and raise standards of living in the less developed areas of the world	£1.84bn
MHCLG	Better care fund contribution	The BCSt provides administrative and programme support to the joint MHCLG and DHSC policy for integrating health and social care through the BCF.	£1.43bn
MHCLG	Revenue support grants	Implement the reforms required to halve the number of families in Temporary Accommodation by 2025.	£1.38bn
MHCLG	Local growth fund	Funds to local enterprise partnerships for projects that benefit the local area and economy.	£1.03bn
DfE	Education and Skills Funding Agency - Adult Apprenticeships	To fund the provision of apprenticeship training	£0.98bn
BEIS	Economic and Social Research Council Research Scheme 18/19	To co-fund the dual support system of research funding for the Economic and Social Research Council	£0.97bn
MHCLG	Affordable homes programme	The Affordable Homes Programme provides grant funding to registered providers to support the delivery of affordable housing.	£0.87bn
MHCLG	London settlement	Council Tax alternative notional amounts report 2018-2019', which represent the annual local government finance settlement for local authorities in England.	£0.85bn
DfE	Priority School Building Programme - Private Finance Local Authority & Voluntary Aided School Revenue Grant	Revenue funding for private sector organisations as part of Public Private Partnership to maintain the condition of selected repaired schools	£0.75bn

Notes



Notes

Data notes

Full notes for each data field are included in the awards and scheme level data accompanying this report. Below are key notes on the data that users should be aware of when interpreting this data:

- The location recorded on the register is not necessarily reflective of the ultimate beneficiary of grant funding. The address can represent the head office of the initial recipient, rather than where the money is actually spent.
- Award level data only covers general grant schemes. We are looking to include awards from formula schemes in future publications of this data.
- Some data has been redacted at both scheme and award level in the published data, where there is a requirement by law and data protection regulations; where data has been redacted at award level but not scheme level, this will result in a difference between scheme-level and award-level data values.
- We expect that a small number of arm's length bodies that give out exchequer funded grants are not included in our dataset. We are working closely with departments to ensure that future datasets capture these grants.
- Grants-in-aid are excluded from this publication; grants-in-aid are funds allocated from one part of government to another part of government, for example, central government funding for the running costs of non-departmental public bodies (NDPBs).
- Financial figures can be reported on *either* a cash or accruals basis. We are working with departments to make this consistent for future publications.
- Some data is completely redacted for reasons of national security or commercial security. This data is not present in the published dataset. The statistics in this document and the accompanying statistical tables are calculated based on un-redacted data. This means that the statistics in this report won't completely match the full published dataset.
- Some recipient information is redacted due to it containing personal information or for national security or commercial security reasons. These details are replaced with [Redacted] in the dataset.
- Scheme values for schemes that cover multiple years are estimated based on the assumption that the scheme budget is shared equally between financial years in which the scheme is active.

Departmental statements about the data in this report

Department for International Development

- DFID and FCO merged in September 2020 creating a new department, the Foreign Commonwealth and Development Office (FCDO). This publication relates to grant spend during 2018/19 therefore data is therefore published under the relevant department as it was at that time. The data contained within the Government Grant Information System (GGIS), and therefore within this Government Grants Register shows a single year snapshot of DFID's grant spend. DFID does not currently record whether grants are subject to a competitive process or not. This field has been completed as "un-competed" to allow data to be uploaded to GGIS. DFID is currently exploring options to systematically capture this data in future. Grant data for the Government Equalities Office (GEO) is included under DFID in this publication as DFID had responsibility for GEO during 2018/19. Details of all Overseas Development Assistance (ODA), including DFID grant funding, is published to the International Aid Transparency Initiative (IATI) standard on Development Tracker. Further detailed financial information is available in DFID's Annual Report and Accounts for 2018/19.

Foreign and Commonwealth Office

- The data contained within the Government Grant Information System (GGIS), and therefore within this GGIS Cabinet Office publication show a complete set of general grants for the FCO for FY18-19 for our core departmental budget.
- The FCO also delivers programmes on behalf of the cross-government Conflict Stability and Security Fund and Prosperity Fund that are managed by the Cabinet Office. In line with FCO's portfolio approach to managing programmes, the FCO is working with the Cabinet Office to capture grant spend from these funding streams for FY19-20.

Department for Education

- The DfE return has been produced on an expenditure basis.
- The data has been provided at a transaction level so there are examples where multiple lines per recipient relate to the same grant.
- The negative lines in the data refer to accounting adjustments or the return of grant money.
- The data includes transactions that relate to prior year grants.
- Schemes SCH-000010833, SCH-000010841, SCH-000010844 are not included in the published scheme data return, since the majority has a Grant-in-Aid allocation method and information re: Grant-in-Aid schemes is not intended to be published. However, these schemes do contain an element of General Grants, therefore award level data has been provided for this element.
- There are minor variances between the scheme value and the supporting awards. The variances are due to accounting adjustments that we have been unable to attribute to specific recipients, or where we have incomplete data.
- The primary identifier used is the UKPRN. Further information about the recipient can be obtained via the following link <https://www.ukrlp.co.uk/>
- In some cases the recipient data has been redacted due to its sensitivity. These redactions can result in either a single line for a scheme or a line per transaction with recipient information removed.

HM Revenue and Customs

- An HMRC scheme was redacted from the grants register due to quality concerns.

Home Office

- The data is not 100% complete as data for grants deemed to be sensitive or a matter of National Security is not included.
- All data included for publication is complete and accurate but it doesn't compare to the audited accounts. This is because the data loaded relates to the grant scheme / award value that is approved at the start of the grant and it is not updated to reflect actual expenditure.

Department for Digital, Culture, Media and Sport

DCMS Data for 1819 is full and complete. Except for five qualifications that need to be made herewith:

- The data reflects 18/19 budget information. Discrepancies may arise between amounts budgeted and amounts actually paid out. In the case of DCMS Central Department (not ALB's) the total actuals reported in 1819 Accounts was £394.5m whereas the total budget data was £421.7m. It is DCMS' intent to upload on to GGIS both budget and actuals for the 1920 data round.
- Budget figures for multi-year grants have in some cases been annually averaged over the period of the grant. Discrepancies may arise between average amounts and the actual profile of the grant award or scheme. Multi-year grant figures appear in 3rd party data (onward grants made by agents acting for DCMS) and certain ALB data, where due to the current inability of GGIS to upload year on year profiles of grant funding, it was deemed preferably to ensure data completeness to allow the 3rd parties to provide data on a multi year basis.
- Due to the above Caveat DCMS' total awards data exceeds DCMS' total scheme data as schemes have been fixed on an annual basis and thus the awards data also incorporates footprints from previous financial year's schemes that are included in the 1819 list of schemes.
- Three grant areas for DCMS Central Department have been uploaded on GGIS using the grants to individuals format. 1) List Places of Worship £34.5m - this is due to the exceptionally high amounts of individual payments often of very low value. (This was with the previous agreement of Cabinet Office staff) and two Building Digital UK (BDUK) awards - Local Full Fibre (£36.5m) and Better Broadband (£2.1m) this is because it is the voucher element that constitutes the grant rather than the final payment to the supplier and in both these cases a certain amount of voucher element contains personal data.
- Ofcom have redacted some award details for reasons of commercial sensitivity. The awards data shown illustrates the funding streams under which awards have been issued.

Ministry for Housing, Communities and Local Government

- The negative values relate to year end adjustments and net off with the overall scheme at programme level.