

Government Strategy for Grants Management 2023 – 2025

To empower our grant making community to maximise outcomes by unlocking the greatest value from grant funds for citizens and the economy Alternative format versions of this report are available on request from the Government Grants Management Function: grants-management-function@cabinetoffice.gov.uk

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Foreword

We are delighted to announce the new Grants Functional Strategy for HM Government which will guide our efforts until 2025. This comprehensive plan was developed in close partnership with departments and arrives at a crucial moment for our nation as we strive to promote economic growth and address pressing societal challenges amidst global uncertainty and the escalating effects of climate change.

Grants play a vital role in achieving the government's aspirations by fostering innovation, supporting pioneering research, and driving progress in various sectors. They enable us to invest in cutting-edge scientific advancements, creating a thriving economy and benefiting society as a whole. Grants support the local voluntary sector, targeting complex social issues in local communities and the lever that Britain deploys internationally, to address concerns of poverty and inequality. There have been notable strides in improving grant management over the past three year thanks to the considerable efforts of departments. We are now able to shift towards empowering grant professionals with the necessary skills and knowledge to optimise grant outcomes. We will continue to strengthen collaboration and sharing of expertise and data insight across government, deepening our understanding of successful practices and jointly implementing effective digital solutions to reduce risk and boost efficiency.

This collective strategy acknowledges variations in grant-making maturity across departments and adopts a proportional approach, aligned with the Grants Functional Standard, to deliver the impactful and efficient outcomes.

We look forward to working together as a unified grant-making community, driven by this strategy and refreshing our vision and priorities for the next three years. Together, we will advance the maturity of government grant making, ensuring that our investments yield the greatest possible benefits for British taxpayers and citizens alike.





Penny Horner-Long Head of the Government Grants Management Function



Grant Senior Functional Leads



In September 2023, the Senior Functional Leads met at the Home Office for the Grants Function Leadership Board.

The Departmental Grant Senior Functional Leads in 2023/24 are:

Anastasia Osbourne, Andy Hobart, Angela Oddio, Clare Bonson, Deborah Allan, Elizabeth Pisani, Jessie Peramal, Joan Lewis, Jon Grayson, Laura Clayton, Matthew Banerjee-Jones, Matt Dunlevy, Michael Cooper, Phil Devin, Robert Nixon, Stephen Berwick, Steve Ascott, Toni Peters, Tony Perotti.

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This collective strategy acknowledges variations in grant-making maturity across departments and adopts a proportional approach



Introduction

In 2021/22, the latest year for which figures are published, annual grants spend was £172bn, which accounts for 16% of total government expenditure. Grants are a strategically important mechanism to deliver diverse government priorities.







GGMF Grant Spending







As we seek to address these complex policy areas, there is also an urgent need to drive improved productivity and efficiency. This is critical so that grant funding not only realises its intended public good, but also maximises Value for Money and delivers the greatest return for citizens and the economy.

Our grant making community is cross functional and brings together a vast array of experience and capability, primarily from Commercial, Finance, Operations and Policy functions. The Government Grants Management Function (GGMF) co-ordinates and encourages collaboration across government and the wider public sector to support effective delivery of grant outcomes. To achieve this the GGMF draws on relevant expertise and insight from other areas of government including the Public Sector Fraud Authority, Government Legal Department, Digital, Data and Technology (DDaT) and HM Treasury.



A great deal has been achieved in government grant making

Our grant making community is cross functional and brings together a vast array of experience and capability

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Digital, Data and Technology Profession

A great deal has been achieved in government grant making in recent years, and we have learned a lot along the way, particularly during the COVID-19 pandemic which saw a 400% increase in grant funding. Through collaborative endeavour across government and the wider public sector, grant making maturity has seen an 11% increase across all departments from 53% (2020/21) to 64% (2021/22).

On the following pages are some highlights of the successes that have contributed to the significant improvement in government grant making maturity over the last three years.



Improvements in access, data quality and transparency

- **Government Grants Information** System (GGiS) has driven improvements in the quality and completeness of grants data and has enabled the annual publication of official statistics of grant spend. This is a key contribution to HM Government's commitment to the Transparency Agenda. The Department for Education (DfE) now consistently provides the largest volume and value of grants data for the annual grants statistics publication where they had previously been unable to provide data at award level. For example, DfE published 107,000 awards across 194 schemes in 2021/22.
- Find a Grant is a cross government digital service that has driven efficiencies and improved access to grant funding by standardising the advertising of most government General Grants in a single location. It is projected that the service will advertise c.£40 billion of grants across fifteen departments over the course of 2023/24 and 2024/25.

Find a Grant is a cross government digital service that has driven efficiencies and improved access to grant funding

Find a

Grant

GGiS



Government Functional Standard GovS 015: Grants and 10 Minimum

Requirements

Enhanced outcomes through increasingly effective oversight

- Grants Maturity Assessment and the development of the Grants Functional Standard, Grants Functional Blueprint and cross-government benchmarks encourages harmonisation with regular measurement of maturity to drive continuous improvement.
- Complex Grants Advice Panel (CGAP) offers expert advice and provides additional control to enable better decisions for how the government's highest priority, risk and value grant schemes are designed, developed and managed. In 2021/22, CGAP provided expert advice to 96 schemes with a total value of £26.8 billion from which 87% of the Panel's recommendations were accepted or partially accepted.
- Spotlight Due Diligence Tool is being continuously improved to automates pre and post award checks to highlight risk, economic crime and national security concerns and inform effective risk-based grant making decisions on the allocation of funding.
- Dedicated Grant Hubs are being set up in departments such as Department for Environment Food and Rural Affairs (Defra), the Home Office and Ministry of Justice to support grants practitioners who may sit across either Policy, Operations, Commercial and Finance.

As a result, governance, management and oversight of grants are recognised as strengths across government in the 2021/22 maturity assessment. This analysis indicates a strong thread of accountability from the Senior Officer Responsible (SOR) through to grants practitioners.

Formal Compliance Regime (Maturity

Assessment)

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Governance, management and oversight of grants are recognised as strengths across government CGAP Spetlight

Improved collaboration and sharing of best practice

- **Grants Centre of Excellence** offers a repository of knowledge which covers cross government best practice including tailored advice, such as effective grant risk management, enabling grants practitioners to deliver effectively at pace.
- **Government Grants Community of Best Practice** introduced to enable practitioners to share ideas and best practice.
- **Grants Licence to Practise** tailors training to the key roles in the Grants Functional Standard. Training is offered via a bootcamp and/or e-learning modules to provide grants practitioners with the skills required to deliver excellent grants.
- **Grant playbook:** the Home Office has made investments in their grant making capability, growing their team alongside a re-engineering of their business processes. This has been supported by the creation of a playbook which aids in training people across the department in the new processes aligned to the Grants Functional Standard.

We have progressed in many ways - and are excited by the opportunities to improve further the effectiveness of grant making in delivering government priorities. However, with the growing use and complexity of grants to achieve policy and operational outcomes, there is greater scrutiny and pressure to ensure Value for Money is delivered and fraud and error are mitigated. Equally, not all departments are at the same level of grant making maturity and a proportionate approach is therefore essential to enable the best and most effective way for each scheme to be delivered in accordance with the Grants Functional Standard.

Grants

We are excited by the opportunities to improve further the effectiveness of grant making

Key areas for development include:

Capability: improving clarity on what is required to effectively manage a department's grants portfolio.

Optimisation: reducing variation in the extent of compliance with the Grants Functional Standard across government. Where proportionate to do, realise opportunities for standardisation, simplification and consolidation including connecting systems and aligning data standards.

Assurance: embedding more robust assurance processes across the whole grants process to better identify, track and mitigate the risk of fraud and error.

Evaluation: improving the measurement of outcomes and benefits, including tracking them more consistently across government, in order to provide greater transparency of what is working well and where we need to improve.



Our vision







To empower our grant making community to maximise outcomes by unlocking the greatest value from grant funds for citizens and the economy

We have built significant momentum over the past three years and want to seize the collective opportunity to be bolder and more ambitious as grants practitioners across government, Arms Length Bodies and other wider public sector grant making organisations.

Together we will drive productivity to lead to greater efficiency and effectiveness of grant making with a shared focus on delivering best practice grant management that minimises risk and maximises outcomes for grant recipients.

Our strategy

Our vision will drive us to improve across key elements of grant making to achieve our ambition:

To deliver the next cross-government step change in grant making by enabling better decision making through building capability, driving delivery excellence and optimising and innovating to improve outcomes



Strategic Pillars

We will focus on three strategic priorities to drive grant maturity across government needed to deliver better outcomes:





Cross Cutting Enablers

Five cross cutting enablers will empower and underpin the delivery of the three Strategic Pillars. These will act as shared aspirations to empower our grant making community and enable a proportionate approach to effective delivery.

Increase Awareness - there needs to be ongoing effort to increase awareness of grant expertise across government and the wider public sector, alongside embedded standards, controls and tools, in particular GGiS. This will provide greater visibility to grant making teams of applicable policy and where to reach out for advice and support.



Increase

Awareness

Build Community - to maximise the impact of improvements in expertise, the grant making community needs a strong expert identity that attracts great talent and enables individuals to build exciting and rewarding careers in grant making. This will, in turn, enable the community to deliver better schemes with greater compliance, by retaining knowledge and developing the deep expertise required to enable more effective and increasingly mature grant making.



Collaborate - the grant making community must work collaboratively across government and the wider public sector by continuing to build cross functional networks; this is the fundamental principle of the grant making community. This includes drawing on and making available relevant expertise and insight from the Public Sector Fraud Authority, Government Legal Department and HM Treasury. Furthermore, as grant making has become increasingly aligned to Commercial and Finance, the opportunity in the coming years is to focus on knowledge sharing across the community to harmonise best practice and maximise collective expertise.

Optimise

Optimise - recognising the diversity of government and public sector grant making and therefore where proportionate to do so, realise opportunities for standardisation, simplification and consolidation. With the recent developments in grant making tools, ongoing focus is required on further embedding, increasing uptake and penetration and optimising these tools within the existing landscape. However, this should not stop us from identifying innovations that enable us to accelerate the pace of change.



Improve Transparency - a focus on further increasing transparency by improving the quality and consistency of data to enable effective oversight, insight and evaluation. Embed effective performance management to identify, monitor and mitigate risks. Continue to conduct periodic assessments of maturity against the Grants Functional Standard to encourage a culture of continuous improvement.



How we will deliver our strategy

Pillar 1 – Build capability

Why is this important?

Having the right grant making capability across professions is essential to efficient and effective delivery of policy outcomes and has been a core principle of the GGMF since its inception. We have collectively matured grant making, raising capability through collaborative knowledge sharing. This is supported by initiatives such as the development of the Grants Licence to Practise, which has the potential to transform capability through professionalisation as it develops to support the learning of grants practitioners at all levels. Continuing to nurture this is essential to reap the benefits of enhanced grant making capability, enabling the retention of people and knowledge across government and creating the opportunity to build on that expertise by introducing clear and consistent career development pathways for grants practitioners.

What does this strategy aim to achieve?

- Skilled Grant Practitioners to increase recognition of grants as a skilled job role and part of a meaningful element of a varied and fulfilling career. Provide tailored development of Policy, Operational, Commercial and Finance colleagues through a diverse, accessible and engaging offering. This reflects the variety of roles and career journeys across government, equipping people with skills in grant making which complement and extend wider professional skill sets and career frameworks.
- **Strong Functional Leadership** in Departments. Support Grant Senior Functional Leads to own and drive their respective departmental grant functions and utilise their operating models.
- **Expert Network** of recognised and accredited subject matter experts across government to support effective delivery of grant schemes and continuous improvement of the Grants Functional offer.

What will we continue to do:

- Professional Learning Offer to develop and iterate capability products such as the Licence to Practise, including the residential training course and a virtual pathway. This is to make it more accessible and proportionate to organisation's requirements, so that grants practitioners can develop a deep understanding and build the required capability to effectively deliver grants across the grant lifecycle.
- Enhanced Grants Centre of Excellence will continue to act as a front door to the GGMF and as a central and comprehensive repository of guidance, resources, training and knowledge sharing.

By 2025, we will:

- **Professional Identity** for grant practitioners and ensure recognition of the maturing expertise and professionalism, placing them on par with similar areas across government, for example, Commercial and Finance.
- **Clear Career Pathway** within the professional pathways/career frameworks of Policy, Commercial and Finance, which is formally recognised by leaders and designed with development in mind.
- Share best practice through regular masterclasses, co-delivered by departments and the GGMF, to support better grant making decisions throughout the lifecycle, including risk management, compliance and outcome evaluation.

Grant making capability across professions is essential to efficient and effective delivery of policy outcomes

Pillar 2 – Drive delivery excellence

Why is this important?

Seizing opportunities to harmonise and align ways of working and solve shared problems, where appropriate, is key to the efficient delivery of grant funding. Consistent application of best practice, with proportionality, will create efficiencies for grants and grant recipients alike and enable resources to be focused on driving delivery excellence.

What does this strategy aim to achieve?

Drive improvements in productivity to achieve greater efficiency and enhance Value for Money for government via:

- **Grants Functional Blueprint** to embed the principles of the blueprint to enable delivery excellence including greater oversight, control and evaluation.
- **Proportionate delivery and governance** with the delivery of a Gold/ Silver/Bronze framework, drawing on learnings from the Commercial Function and aligned to the Grants Functional Standard, embedded across departments and ALBs. The framework will enable increased consistency in grant delivery and better preparation for oversight and scrutiny, tailored to the complexity, scale and risk of a grant and the maturity of a department/ALB.
- Efficient risk management that identifies, tracks and mitigates fraud and error, economic crime and national security threats at pace, underpinned by a strong understanding of the grants risk landscape.

What will we continue to do:

- Grants Functional Standard and Maturity Assessment to drive compliance and maintain controls to promote productive, efficient and risk-managed delivery of grants. Maturity assessments, deep dives and regular review of action plans to support ongoing improvement.
- **Dedicated Grant Hubs** to build on the success of the hubs being established in Defra, Home Office and Ministry of Justice and encourage the proliferation

across departments aligned to the Grants Functional Blueprint, creating consistent functional structures in departments and other grant making organisations.

- **Expert support and advice** accessible to all government grants practitioners when required and adapt the support to meet the changing landscape of grants. This includes drawing on relevant expertise from across government including the Public Sector Fraud Authority, Government Legal Department and HM Treasury that will inform support offers such as CGAP a panel of cross-government experts to advise on high priority, risk and value schemes.
- **Spotlight and Spotlight Confidential** is the automated due diligence tool embedded to minimise risk when administering grants.

By 2025, we will:

- **Clear central guidance** to deliver consistency in the execution of grant administration across government including within ALBs, ensuring the right capability, risk management and compliance are applied proportionately to the nature of the grant. This will build on the success of the dedicated Grants Hubs already established in Defra, Home Office and Ministry of Justice.
- **Digital Tools and Services** increase uptake and utilisation of Find a Grant, Apply for a Grant and Spotlight to drive efficiency and consistency in the grant making processes.
- **Government Grants Managed Service** to achieve the delivery of grant administration through a centralised service to improve productivity and efficiency, and minimise risk.
- **Collaborate across the government functions** to draw on best practice, align processes and systems where appropriate. For example, creation of a grants specialism within the Government Internal Audit Agency (GIAA) to improve scrutiny and quality of third line audit processes.

Pillar 3 – Improve grant outcomes

Why is this important?

Data and the effective use of digital tools are vital assets to enable the most effective delivery of grants to achieve required outcomes, drive innovation and inform insight led thinking and effective decision making. Progress in these areas leads to improved service quality, greater effectiveness, reduced costs of public services and an improved ability to deliver and measure the impacts of policies and programmes. However, the current systems and data landscape is diverse and differs in maturity across grant making which poses a challenge to achieving harmonisation and interoperability of data and tools. This strategy aims to drive optimisation and a culture of innovation to enable the best use of data and make more informed decisions to deliver for the public good.

What does this strategy aim to achieve?

- Harness data and innovation to improve benefits tracking, impact and outcomes.
- **Improve effectiveness** of data collection and accuracy to drive insights.
- **Embed and iterate current tools,** ensuring they are fit for purpose.
- **Best in class** in data transparency aspiration achieved, for example grants data being published as early as possible.

Our three strategic priorities will drive grant maturity across government and deliver better outcomes

What will we continue to do?

- **Comprehensive Grants Pipeline** to enable timely intervention and support to improve grant design and development and mitigate risk prepayment.
- Complex Grants Advice Panel (CGAP) providing expert oversight of all complex and high risk schemes, drawing on relevant expertise from across government - ranging from the Public Sector Fraud Authority, Government Legal Department and HM Treasury that will inform support offers including CGAP and it's panel of cross-government experts to advise on high priority, risk and value schemes and to identify opportunities to enhance current systems and processes.
- Automation and digital tools to drive effectiveness whilst horizon scanning for technical developments that could enhance effectiveness, such as artificial intelligence, where beneficial.

By 2025, we will:

- **Functional Dashboard** to enable Grant Senior Functional Leads to demonstrate progress against maturity action plans and benefits delivery.
- Common Repository of Scheme Evaluation to be developed in collaboration with the Evaluation Hub to improve evaluation practices and enable the rapid dissemination of insight into what works and enable grant practitioners from across government to build upon prior learnings to ensure future success.
- Interoperability of data and digital systems start to realise the opportunities to create a landscape which is made up of the best from within the grant making community. Increase join up and learning from Digital, Data and Technology (DDaT) to share digital and technological best practice across government grant making.
- **Culture of innovation** embedded and continuous improvement to identify and realise the potential of future advances, such as artificial intelligence, on grants administration, applicants and recipients.



What this will mean for our stakeholders

Delivering this strategy will have a demonstrable impact on the delivery quality of grants across government, improving the ability to maximise outcomes by unlocking the greatest value from grant funds for citizens and the economy.

For citizens:

- Improved visibility of and easier access to grants.
- Greater transparency of spend to deliver trust and accountability for the citizen.
- More effective grants that deliver key government policies for the public good more effectively, addressing market failures or opening up new areas of opportunity.
- Greater Value for Money delivered through improvements in efficiency and productivity of grant administration.

For grants practitioners:

- Upskilled grants practitioners who are recognised for their expertise.
- More consistent and harmonised ways of working, proportionate to each organisation's grant portfolio, including the level of complexity, scale and risk.
- Continued expert support from the GGMF, via CGAP and sharing of insights
- Increased collaboration across government with best practice being shared regularly across the grant making community.
- Improved systems and more consistent data standards driving efficiency and better data informed decision making.

For government:

- Improved cross government coordination and alignment in the execution of grant administration, driving greater productivity.
- Increased confidence and more real-time information on the scale, type and distribution of grant spending across government.
- Greater collaboration and effective coordination of expert advice, support and delivery between Government Functions such as Legal, Policy, Analysis & Insight, Finance, Commercial, Assurance, Major Projects, Digital, Data and Technology (DDaT) and Counter Fraud.



How we will measure our progress

The GGMF will provide oversight and proactive support to government to realise this strategy and report progress against the Strategic Pillars in our annual report.

We will monitor progress closely to help us realise our Strategic Pillar ambitions through development of consistent methodologies to measure progress on a consistent basis. To enable this, the GGMF will establish departmental functional dashboards, underpinned by co-created metrics, to enable Grant Senior Functional Leads to drive progress in their respective departments. The GGMF will actively champion this strategy and promote the grants agenda across government with stakeholders at all levels. Empowering our grant making community to maximise outcomes by unlocking the greatest value from grant funds for citizens and the economy, thus enabling public good, and ensuring the voice of grants practitioners is heard across government and beyond.

> The GGMF will actively champion this strategy and promote the grants agenda across government



This strategy refreshes our vision and priorities for the coming two years to further enhance the maturity of government grant making









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