



Department for
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Meg Hillier MP
Chair, Public Accounts Committee
House of Commons
London SW1A 0AA

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Dear Chair,

Evidence session on Covid-19 Charities Funding

Thank you for inviting me to appear before the Committee last month to talk about the Department for Digital, Culture, Media and Sport's role in distributing funding to charities affected by the Covid-19 pandemic. I am writing to follow up on a number of points raised about the process by which charities were selected to receive funding and in relation to the regional distribution of the funding. I am content for this letter to be published should the Committee wish.

As a number of the questions asked by the Committee related to the relative roles of civil servants, special advisers and ministers in the assessment and selection process, I want to begin by drawing the Committee's attention to the following sections of the Civil Service Code and the Code of Conduct for Special Advisers.

The Civil Service Code requires civil servants to:

- *"carry out [their] fiduciary obligations responsibly (that is make sure public money and other resources are used properly and efficiently)";*
- *"provide information and advice, including advice to ministers, on the basis of the evidence, and accurately present the options and facts"; and*
- *"serve the government, whatever its political persuasion, to the best of [their] ability in a way which maintains political impartiality".*

The Code of Conduct for Special Advisers states that:

"In working with other civil servants, special advisers can, on behalf of their Minister:

- *convey to officials Ministers' views, instructions and priorities, including on issues of presentation. In doing so, they must take account of any priorities Ministers have set;*



- *request officials to prepare and provide information and data, including internal analyses and papers;*
- *hold meetings with officials to discuss the advice being put to Ministers; and*
- *review and comment on – but not suppress or supplant – advice being prepared for Ministers by civil servants.”*

"Special Advisers must not...authorise expenditure of public funds or have responsibility for budgets."

I am satisfied that civil servants and special advisers at all times followed these codes in the distribution of the Covid-19 Charities Funding and the decisions on funding were made by Ministers in the proper way. I can also confirm that the Department followed the Cabinet Office Grants Functional Standard throughout the funding package.

Funding allocated via government departments

Ministers were advised that an official-led assessment process, including various meetings held to discuss the bids, would be used to support their decision making on the government department bids; the official-led assessment process was not determinative in itself. Officials prepared advice for Ministers in the usual way and Ministers, in this case the DCMS Secretary of State for Digital, Culture, Media and Sport and the Chief Secretary to the Treasury, made decisions on what to fund.

In relation to the funding allocated to charities via other government departments, DCMS officials made an initial assessment of the bids between 17-20 April; this included an initial score against the strategic, economic, management, financial and commercial case, as well as a narrative, qualitative assessment. Officials notified Ministers of all bids received on 20 April 2020; this included the bidding department, service area and value of each bid. All bids were clarified and challenged with the bidding departments at a meeting on 23 April; for reasons of speed the initial scores were not updated after this meeting but the content of the meeting helped refine officials' views about the relative merits of each bid. There was then a further meeting on 27 April, chaired by a Director General from DCMS, with both official and Special Adviser representatives from DCMS, HM Treasury and the Prime Minister's Office, where the bids were discussed further in light of the clarifications and challenge. At this meeting, DCMS officials recommended themed grant schemes which grouped bids together even though they had received different scores at the initial assessment. Officials set out a proposed set of recommendations for comment by DCMS junior Ministers on 28 April. Issues raised by junior Ministers were addressed in the formal decision making submissions for the Secretary of State and Chief Secretary on 29 April. Ministers then made the decisions about which bids to fund on the basis of these submissions from officials.

I can confirm that all of the bids being considered by officials for recommendation to Ministers at the time of the meeting on 27 April were all eventually recommended to Ministers. These were the only bids recommended. No bids were added to or removed from the list of recommendations as a result of the meeting on 27 April or after that for any other reason. For a small number of bids, the monetary value of the award being recommended was adjusted between the meeting on 27 April and the submissions to Ministers. The decision to do so was made by DCMS officials who were satisfied that the recommendations were all evidence-based and value for money.

The Community Match Challenge

The Committee asked about the due diligence process for the Community Match Challenge and specifically whether I could give an example of something discovered as a result of queries raised by Ministers that had not been picked up in the first round of due diligence.

Officials were conducting the eligibility, assessment and due diligence stages to a tight time frame in order that awards could be made as quickly as possible. As a result, some of the issues raised in those three stages (A to C of the process set out in my letter to you of 12 April) overlapped with the Panel assessment and advice to Ministers. An example of this was clarifying that a recipient organisation was registered with the Charity Commission as it was newly established. Officials sought to proceed with later stages on the condition that such issues would be addressed before final decisions and awards were made, as they were. This was an appropriate risk-based approach in the circumstances.

In addition, in response to a submission setting out the views of the Panel assessment and identifying a range of possible portfolios that might be awarded, the Minister for Civil Society clarified her policy intentions for the grant scheme which led officials to rethink the assessment that had been made. As with the government department process, for reasons of speed officials did not formally re-score the applications based on this clarification but it did help refine their views about the relative merits of each application. This iterative process led to a final decision making submission as set out in my letter of 12 April. Officials were satisfied that the recommendations they made in their final decision-making submission were value for money, based on thorough due diligence and appropriately met the policy objectives Ministers had for the scheme, even though some of the awards they recommended had initially not scored the highest.

Regional data

The Committee asked about the regional spread of the awards made and specifically whether regional data and the indicative allocations for the Coronavirus Community Support Fund would be published.

The evaluation, which is currently being tendered, will look at the geographical distribution of all of the elements of the funding for which DCMS was responsible. The evaluation will be published. Information on all awards will also be published on 360 Giving. While this is an imperfect record of geographical spread as it relates to the registered address of the recipient rather than the service delivery area, it will give useful information.

The Coronavirus Community Support Fund which was run by the National Lottery Community Fund is the only part of the funding package which had indicative geographical allocations. As I confirmed when I appeared before the Committee, these were not hard targets but are a tool commonly used to support the National Lottery Community Fund's decision making. I have attached the indicative allocations for the Coronavirus Community Support Fund, which were based on the Office for National Statistics population data, below. The final regional distribution of the funding is being evaluated under the specific evaluation for the Coronavirus Community Support Fund which is currently live. The report of the evaluation will be published.

East Midlands	8.46%
Eastern	10.49%
London	15.75%
North East	5.13%
North West	14.02%
South East	15.30%
South West	9.51%
West Midlands	11.02%
Yorkshire and The Humber	10.33%

Yours sincerely,



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