

Code of Conduct for Recipients of Government General Grants

November 2018

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1.0	29 November 2018	First publication of document on gov.uk.
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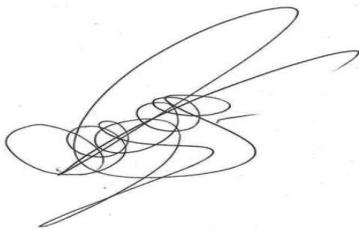
HM Government Code of Conduct for Grant Recipients *Foreword*

Grant making is an essential component in the tools available to government to deliver its policy objectives. Grants are awarded to deliver across a diverse range of policy areas such as helping to tackle disadvantage, to support the Arts, and to advance research and technologies, helping the UK to compete at the global level. This diversity, combined with the importance of the areas funded through grants to the UK, is why it is essential to ensure that grants are administered efficiently and effectively, providing value for the taxpayer.

In this regard, grants are no different from commercial contracts. In September 2017, the Government Commercial Function published the *'Supplier Code of Conduct'* on gov.uk, which sets out publically, the expectations that the Government places on commercial suppliers. The publication of a Code of Conduct for Grant Recipients is an important, natural progression for government, to bring the expectations placed on Grant Recipients, in terms of ethical and professional behaviour, into line with those placed on suppliers.

There are of course fundamental differences between grants and commercial contracts, and this code has been written to recognise and respect those differences. It is also true that there are many common elements between grants and contracts, not least the expectations placed on the individuals and organisations that are awarded funding.

Following publication of this Code of Conduct, government general grant agreements will make reference to it in their terms and conditions. I expect that Grant Recipients will meet the expectations in this code, and ensure their employees and partners do the same.



Lyn McDonald
Director, Cabinet Office Fraud, Error, Debt and Grants Function

Introduction

1. It is the Government's aim to deliver for the Exchequer on a range of commitments covering grant funding, which include: ensuring funded activities represent good value; funding activities that clearly and demonstrably support policies that fulfil the Government's manifesto commitments; and development work that is delivered on budget and in accordance with specifications laid out in the grant funding agreement. In delivering these commitments we must ensure adherence to the highest standards of ethical and professional behaviour.
2. We evidence this for the civil service through the Civil Service Code and the Seven Principles of Public Life, which define the values that we espouse and the behaviours required of all civil servants.¹ Our relationships with Grant Recipients are critical to successful performance. This Grant Recipient Code of Conduct ('this code') sets out the behaviours that we expect of Grant Recipients who are engaged in activities that are administered via general grants funded by the Government.
3. In selecting Grant Recipients, government will carry out checks to ensure it is entering into grant agreements with reputable entities. These checks are conducted in line with the Functional Standard for Government General Grants, ensuring fair access to opportunities for all Grant Recipients and equal treatment during selection processes.²
4. As Grant Recipients carry out the activities that are being funded by grant awards, we expect that their performance should be in accordance with the spirit of the grant agreement, as well as its letter. And we expect our Grant Recipients, in carrying out activities that are funded by government, wherever they operate, to act in a manner that is compatible with public service values, where possible to promote innovation and expertise, and where applicable to contribute to the public good within in the UK and abroad.
5. We also have high expectations of government employees in this regard. We recognise that in many cases effective grant management requires a good working relationship between Grant Recipients and government grant managers. We expect our officials to treat Grant Recipients with fairness and respect. In return we expect Grant Recipients to treat our officials in the same way, and seek to build trusting and effective collaborative relationships that are focused on delivering for the public good.
6. This code is intended for use by all departments and their Arm's Length Bodies (ALBs) in their relationships with Grant Recipients. As a statement of good practice it should be adopted both by current and prospective recipients

¹ Details on the Civil Service Code and 7 Principles can be found on gov.uk, here: <https://www.gov.uk/government/publications/civil-service-code/the-civil-service-code> and here: <https://www.gov.uk/government/publications/the-7-principles-of-public-life>.

² Supporting guidance for the Government Functional Standard for General Grants: <https://www.gov.uk/government/publications/grants-standards>.

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of government grants. We expect our Grant Recipients to communicate this code of conduct to employees, their parent company, subsidiaries and (if applicable) any subcontractors or intermediaries.

7. This Code is intended to be a living document that will evolve in line with best practice. These arrangements will be kept under review to ensure that they continue to help facilitate good governance in departments and their ALBs.
8. Any queries regarding this code that are specific to a grant scheme or award should be referred to the individual grant manager in the relevant government department. General queries related to this code should be referred to the Cabinet Office's Grants Management Function:

grants-management-function@cabinetoffice.gov.uk

Employees and Service Users

Respectful treatment

9. Our officials and those who are impacted by the activities being funded have the right to respectful treatment. We will not tolerate discrimination, harassment or victimisation in the workplace or in connection with any government service, and we expect our Grant Recipients to provide the same commitment to our officials, and to include their own employees within this commitment, in accordance with The Equality Act 2010.³

Professional behaviour

10. We expect Grant Recipients to be prepared to invest in their relationships with government and establish trust with our staff and with other entities and organisations involved in the activities being funded. We also expect Grant Recipients to be able to speak out when government officials, civil servants or other Grant Recipients are not upholding the values embedded in the Civil Service Code or this code. We also expect Grant Recipients to speak out, without fear of consequences, when a grant funded project or activity is unlikely to succeed because of our behaviours or a lack of good governance. We expect the same behaviour when a grant is no longer fit for purpose, for example, in the grant agreement stipulations or measures.

³ Details about the Equality Act 2010 can be found here: <https://www.gov.uk/guidance/equality-act-2010-guidance>.

Interacting with Vulnerable Groups

11. Some grants fund activities for end users or for beneficiaries with particular needs such as those with physical or mental disabilities, medical conditions, children and young people, the elderly, or those with other factors that place them in a vulnerable position. Grant Recipients must ensure that at all times, these end users are treated with respect and that their dignity, safety, security and wellbeing, is treated as a priority concern.
12. It is crucial that Grant Recipients ensure that everyone who takes part in grant funded activities, such as staff or participants (including volunteers), understand the boundaries of appropriate behaviour. Also that they have facilities in place to enable them to speak out, without fear of consequences, for example, if they feel that vulnerable groups are in any way being treated improperly. Grant Recipients are encouraged to develop their own internal guidance, training and procedures, to assist their employees whenever they interact or otherwise engage with vulnerable groups. This should cover being able to identify and act for vulnerable groups, to understand what constitutes improper conduct or abuse, and also how to act on that.
13. Grant Recipients should be aware that they are required to have Disclosure and Barring Service checks carried out on those who have direct contact with vulnerable groups, where clearance is not already in place, in particular those who plan to operate in a position of trust, in a regulated position. The Safeguarding Vulnerable Groups Act 2006 provides further guidance as well as stipulating that the Disclosure and Barring Service will make decisions on individuals who should be barred from working with vulnerable groups.⁴

Human rights and employment law

14. Grant Recipients must comply with all applicable human rights and employment laws in the jurisdictions in which they work and have robust means of ensuring that the subcontractors in their supply chain also comply. This includes complying with the provisions of the Modern Slavery Act 2015.⁵

Business practices

Management of risk

15. Through robust grant management, we try to ensure that risk is placed with the party best able to manage it. This includes requiring that Grant Recipients do not transfer risk inappropriately to intermediaries, other entities or

⁴ The Safeguarding Vulnerable Groups Act 2006 can be found here:
<https://www.legislation.gov.uk/ukpga/2006/47/contents>.

⁵ An overview of the Modern Slavery Act can be found here:
<https://www.gov.uk/government/collections/modern-slavery-bill>.

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subcontractors, and not to assert that they can manage risk that is in fact better managed by government. All parties to a grant should be prepared to share intelligence on delivery risks, so that any material risks can be mitigated.

Continuous improvement

16. We expect our Grant Recipients to use recognised sector specific best practice in the delivery of activities being carried out that are funded by government. We also expect Grant Recipients to continuously improve these activities and bring innovation, ideas and expertise to help government address its strategic and policy challenges and to support growth and where applicable to contribute to the public good within the UK and abroad.

End-to-end Delivery

17. We expect Grant Recipients to be aware of how they contribute to overall delivery, and to work with government and other Grant Recipients to ensure that their activities are utilised effectively, providing high-quality delivery. We expect Grant Recipients to behave in accordance with required standards, as set out in the grant agreement, and to be forthcoming with information required where a grant agreement is coming to an end and is in a transitional phase leading to a grant exit.

Value

18. Government departments should always make sure they obtain value, when spending the money it receives from the Exchequer, and should be able to demonstrate that value to Parliament and the public. This means that grant agreements should be structured to ensure that the funding is used for the intended purpose, in line with defined eligible expenditure, and to ensure sustainable value, throughout the life of the grant.
19. Whilst we accept our Grant Recipients are incentivised with the promise of grant funding to carry out activities in a way that aligns with government policy, we expect Grant Recipients not to exploit an incumbent or monopolistic position, an urgent situation or an asymmetry of capability or information to impose opportunistic pricing. We expect Grant Recipients to work in good faith to resolve disputes promptly and fairly, throughout the life of a grant award, through clearly communicated dispute resolution mechanisms and good relationship management.

Reputation

20. We want to work with Grant Recipients who are proud of their reputation for fair dealing and quality delivery. We also want working with government to be

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seen as reputation enhancing for the Grant Recipient. Equally, we expect Grant Recipients, in delivering the funded activity, to ensure that neither they, nor any of their partners, intermediaries or even subcontractors, engage in any act or omission, which is reasonably likely to diminish the trust that the public places in government.

Cyber Security

21. It is essential that Grant Recipients safeguard the integrity and security of their systems and comply with the relevant government standards and guidance. Grant Recipients must inform the National Cyber Security Centre if they become aware of any cyber security incident that affects or has the potential to affect government data.⁶

Environmentally Sustainable Grant Funding

22. We expect our Grant Recipients to be aware of and to support government in complying with its legal and operational obligations under social value legislation, in delivery of the wider policy that sits behind the grant agreement, and in the delivery of the targets as defined within the Greening Government Commitments 2016 to 2020.⁷ We expect our Grant Recipients to assist government in the understanding and (if possible) reducing the potential impact grant funded activities may have on our environment.
23. We expect Grant Recipients to be open and transparent in assisting government in reporting publicly on any environmental impacts.

Confidentiality

24. Grant Recipients are expected to comply with the provisions in their grant agreements and any legal requirements to protect sensitive information. Grant Recipients may also be party to confidential information that is necessary for them to be effective partners.
25. This information, even if it is not covered by provisions within the grant agreement, should be handled with the same care as information of similar sensitivity in the Grant Recipient's own organisation.

Conflicts of Interest

26. Grant Recipients shall mitigate appropriately against any real or perceived conflict of interest through their work with government. A Grant Recipient with

⁶ National Cyber Security Centre website: <https://www.ncsc.gov.uk/>.

⁷ Details of the Greening Government Commitments, 2016-2020, can be found here: <https://www.gov.uk/government/publications/greening-government-commitments-2016-to-2020>.

a position of influence gained through the award of a grant should not use that position to unfairly disadvantage any other Grant Recipient or reduce the potential for future competition, for example, by creating a technical solution that locks in the grant to the Grant Recipient's own proprietary methodologies or activities.

Standards of Behaviour

Ethical behaviour

27. Civil servants are required to uphold the Seven Principles of Public Life in their dealings with third parties and we expect fully reciprocal behaviour from Grant Recipients. We expect the highest standards of ethics from Grant Recipients, their agents, their chosen intermediaries and possible subcontractors in carrying out the activities funded by government. We expect Grant Recipients to be explicit about the standards they demand of their executives, managers, employees, partners, volunteers and subcontractors and to have in place governance and audit processes to monitor and enforce these standards.

Counter Fraud and Corruption

28. We expect that at all times, Grant Recipients adhere to anti-corruption laws, including but not limited to the Bribery Act 2010, the Fraud Act 2006 and anti-money laundering regulations. We expect Grant Recipients to have robust processes to ensure that their agents, intermediaries, and possible subcontractors also comply with these laws. We will not tolerate any form of corrupt practices, including extortion and fraud, and we expect Grant Recipients to be vigilant and proactively look for corrupt practices, fraud, and the risk of such forms of criminality, in the conduct of their activities.

29. Grant Recipients should immediately notify government where corrupt or fraudulent practice is suspected or uncovered and disclose any interests that might impact their decision-making or the advice that they give to government.

Transparency

30. We expect Grant Recipients to be open and honest in their dealings with government, and where required to support government to meet transparency commitments within the UK Open Government National Action Plan, 2016-18.⁸ In addition, where required within the grant agreement, we expect full and prompt disclosure of costs, in line with published guidance and the terms of the grant agreement.

⁸ Details of the UK Open Government National Action Plan, 2016-18 can be found here: <https://www.gov.uk/government/publications/uk-open-government-national-action-plan-2016-18/uk-open-government-national-action-plan-2016-18>.

Treatment of Agents, Partners, Intermediaries and Subcontractors

31. We expect our Grant Recipients to deal fairly with any other entities that it works with in the delivery of the grant funded activities it is carrying out. We expect Grant Recipients to avoid transferring unreasonable levels of risk to other entities, especially to those who cannot reasonably be expected to manage or carry these risks. We expect Grant Recipients not to create barriers to the use of small and medium-sized enterprises who are qualified to carry out or assist grant funded activities, and to encourage innovation to increase the value or quality of those activities.

Social Responsibility

32. We expect our Grant Recipients to promote social responsibility; by upholding the values of this code and supporting key government social responsibility policy areas, such as (but not limited to) diversity and inclusion, sustainability, prompt payment, small and medium sized enterprise engagement, support of the Armed Forces Covenant, apprenticeships and skills development.

Compliance

33. The overall objective of this code is to drive improved performance throughout government grant funding, by building trusting and open relationships with our Grants Recipients. Grants Recipients that carry out activities that are funded by government grants are expected to comply with all aspects of this code, and the terms and conditions of the grant agreement.

34. The grant agreement provides the legal framework for delivery, and should reference this code. Grant Recipients should be open and transparent with government in relation to breaches or suspected breaches of the principles outlined in this code, and should promptly notify government of any such breach. If non-compliance with the requirements of this code is reported or alleged, the first step is for government to discuss the allegations with the Grant Recipient. If that does not resolve the issue, or in cases where the breach is sufficiently grave, the relevant department may consider suspension or termination of the grant agreement, and may take action to recover some or all of the funds paid.