



Cabinet Office

- 7 APR 2016

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Sir Stuart Etherington  
NVCO  
Society Building  
All Saints Street  
London, N1 9RL

30 March 2016

Dear Stuart,

Thank you for your letter to the Prime Minister of 10 February 2016, regarding the new clause which is to be inserted into government grant agreements from 1 May 2016. I am responding as Minister with policy responsibility for the cross-Government Grants Efficiency Programme.

Efficient use of taxpayers' money is paramount and the new clause is about ensuring Government grant funding is spent as intended. Grant funding should not be diverted from its intended purpose to be used instead for campaigning and lobbying unless that is specifically authorised in the grant agreement. Cabinet Office guidance will help departments to implement best practice when drawing up grant agreements the terms of which will outline any restrictions on its publication or use.

The clause is compatible with the Compact as there is nothing in it to prevent grant recipients using their own resources for campaigning as they see fit.

Finally I should say that I remain committed to and value the work that our voluntary sector and social enterprises do to highlight and deal with the problems that many of our communities face. If any grant recipients have specific concerns about this clause, I would strongly encourage them to speak to their grant manager.

Yours sincerely

THE RT HON MATTHEW HANCOCK MP