



Department for
Digital, Culture,
Media & Sport

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Damian Collins MP
Digital, Culture, Media & Sport Select Committee
House of Commons
London
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Dear Damian

Following discussion in the House on 25 September and 3 October concerning my Department's award of a grant to Hacker House Ltd, I am writing to update you on the review of this grant award that we committed to undertake.

Alongside a range of cyber skills initiatives, DCMS has provided grant funding to 11 organisations, to carry out 12 projects, under the Cyber Skills Immediate Impact Fund (CSIIF). The funding ranges from £20,000 to £500,000 per organisation.

Notwithstanding, CSIIF has been designed to stimulate an industry-led approach to boosting the numbers and diversity of adults entering the cyber security workforce, while also helping to develop a cyber security retraining ecosystem. A more detailed summary of the initiatives that were awarded grants is sent out in ANNEX 1.

In February 2019, following an open and fair competition, Hacker House Limited was awarded up to £100,000 of grant funding under CSIIF. A press release was published on gov.uk. I have asked my officials to commission a technical review of this grant award.

I am keen to emphasise that any notion of the Prime Minister influencing - whether directly or indirectly - any aspect of the due diligence, assessment and award of any grant funding made through the CSIIF is simply not true. There was no Ministerial involvement in the selection of these initiatives, which were awarded by a panel of officials from across government and included industry representation – including DCMS, the Department for Education, techUK and the National Cyber Security Centre.

As I have also noted to the House, the residence of an individual director is not one of the defining characteristics of whether a company is based in the UK.

The technical review is being carried out by the Government Internal Audit Agency (GIAA) and will cover the CSIIF due diligence and assessment process, with specific focus on the assessment of the application and subsequent grant award to Hacker House Limited. The review will report to the DCMS Permanent Secretary, in her role as Accounting Officer. A copy of the Terms of Reference has been annexed for the Committee's reference (ANNEX 2).



The review will conclude shortly and I remain committed to publishing it by 31 October. As stated to the House, we are happy to publish all relevant information pertaining to the award of this grant, subject to any legal and commercial restrictions (such as data protection laws and duties to protect commercially sensitive or confidential information). We intend to release the information alongside the concluded GIAA review to provide any additional clarity and contextual background on the process.

I will deposit a copy of this letter in the Library of the House.

A handwritten signature in purple ink that reads "Nicky Morgan". The signature is written in a cursive, slightly slanted style. The name "Nicky" is written above "Morgan", and there is a small flourish at the end of "Morgan".

Rt Hon Nicky Morgan MP
Secretary of State for Digital, Culture, Media and Sport

ANNEX 1

Summary of grants awarded under the Cyber Skills Immediate Impact Fund

| Organisation | Project | Target demographic |
|---------------------------------|--|---------------------------------------|
| Immersive Labs | Creation of online cyber security training course specifically designed for neurodiverse individuals | Neurodiverse individuals |
| PGI Cyber Academy | Conversion course for women to retrain into entry-level cyber security roles | Women |
| YouthFed | Creating a Secure Operations Centre to introduce young people to careers in cyber security | Young people |
| CompTIA | 'Cyber Ready' programme to retrain individuals with an IT background for a career as a cyber security analyst | Women, BAME, Neurodiverse individuals |
| Integrate Agency | Cyber security training for lone parents in Lambeth | Single mothers |
| National Autistic Society (NAS) | Working with young people with neurodiverse conditions and employers to prepare them for cyber security apprenticeships | Neurodiverse individuals |
| UK Cyber Community Forum CIC | Providing training opportunities for neurodiverse individuals and preparing them for a career in cyber security | Neurodiverse individuals |
| Crucial Academy | Online and intensive classroom training for people leaving the military interested in a career in cyber security. | Veterans |
| Hacker House | Online training platform to develop cyber security skills and connect candidates with employers | All |
| Blue Screen IT | Providing cyber security training through a working Secure Operations Centre providing cyber security services for local businesses. | Neurodiverse individuals, women, BAME |
| QA Ltd | Cyber Security Academy for Women teaching programme development and cyber security skills | Women |

ANNEX 2

Cyber Skills Immediate Impact Fund: Hacker House Limited Grant Award Review Terms of Reference

Objective

This independent review will cover the Cyber Skills Immediate Impact Fund (CSIIF) due diligence and assessment process, with specific reference to the assessment of the application and subsequent grant award to Hacker House Limited between October 2018 and February 2019.

Reporting to the DCMS Permanent Secretary, the review will also seek to identify any process improvements that will strengthen future grants offered by DCMS.

Process

The review will consider two elements:

- 1. Whether the DCMS assessment of eligibility and subsequent grant award to Hacker House Limited was appropriate. The review will consider the accuracy of information provided in the application and in any further correspondence related to the application;**
2. The basis of the Approval Board's decision to waive the requirement for the allocation of funding to not exceed 50% of the company's annual income.

The Review Lead (see roles and responsibilities) will gather all relevant information, conclude its consideration and produce a report as soon as possible to allow for consideration by DCMS before publication, which will be no later than October 31 2019.

Key Principles

- Civil Servants and Approval Board members will not be directly attributed in the final report
- Focus will be on actions, decisions and evidence rather than individuals
- Where possible, evidence will be cited in order to support the review's conclusions

Roles and responsibilities

- Review Commissioner: DCMS Permanent Secretary
- Review Senior Responsible Owner: DCMS Finance Director
- Review Lead: Government Internal Audit Agency