

TITLE: Subsidy Advice Unit: Proposed approach to monitoring under the Subsidy Control Act 2022 - Space Forge Submission	
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CLASSIFICATION: Open Access	

## **Subsidy Advice Unit: Proposed approach to monitoring under the Subsidy Control Act 2022 - Space Forge Submission**

### **The Effectiveness of the operation of the Act**

#### **Questions**

- 1. Do you agree with the SAU's proposed scope for monitoring the effectiveness of the operation of the Act? If not, what should be changed and why?**

1.1 N/A

- 2. Do you agree with the methodology and evidence proposed? If not, what should be done or used?**

2.1 We would also suggest that the SAU gathers what evidence is available for subsidy programmes that have been considered by public authorities, but rejected due to considerations of the Act. By its nature this data is likely to be qualitative and limited in scope and scale, but could provide an indication of whether the Act is deterring the implementation of subsidies where it is not intended to do so.

### **Competition and Investment**

#### **Questions**

- 3. Do you think the proposed evidence and sources identified are appropriate to meet the scope of the review? If not, what other evidence and sources should be considered and why?**

3.1 In general we agree with the proposed approach. However, we would also suggest that the SAU also examines any internal policies created by public authorities to ensure they stay within the bounds of the Act and the effectiveness of the implementation of these policies.

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The reason for this suggestion is that, with the onus and responsibility for policing subsidy awards falling largely on the funding bodies themselves, and then the scrutiny applied to them by the SAU, there is a possibility that internal policies will be designed that are more restrictive than the bounds of the Act (or their implementation may be such). This will have the effect of limiting or removing from the ecosystem subsidies that could prove effective and fall within the acceptable bounds of the Act, but are discounted due to internal policies. This would in turn have the effect of weakening the competitiveness of the UK regime in the global market as well as deterring investment from within and outside the UK.

**4. Are there particular factors that should be considered as part of the proposed case studies?**

4.1 N/A