

Email response to the Competition and Market Authority (CMA) [consultation on the approach proposed by the Subsidy Advice Unit \(SAU\) in undertaking its monitoring function as set out in section 65 of the Subsidy Control Act 2022.](#)

Responding organisation: Innovate UK

Please see the response from the Innovate UK Subsidy Team below:

3.13 Do you agree with the SAU’s proposed scope for monitoring the effectiveness of the operation the Act? If not, what should be changed and why?

Innovate UK are in agreement with this scope.

3.14 Do you agree with the methodology and evidence proposed? If not, what should be done or used?

As stated in the consultation document using the DBT Transparency Database may only offer a partial reflection of the UK Subsidy eco-system dependant on PAs uploading their data, the £100,000 threshold and No Subsidy awards being omitted. Additionally when presenting the data/evidence clear distinctions should be made in terms of Subsidy status i.e. Legacy, Baseline, RD&I Streamlined, MFA, Standalone awards as this will give a much clearer and transparent report to build on for future iterations.

4.16 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?

Innovate UK feel that it could be difficult to measure economic impact if evidence collection begins in 2024, for example in Innovate UK our projects can run for 3 years or more. Innovate UK feel that case studies using awards made under Legacy schemes should either not be used, or recorded separately as they do not give a true reflection of the effect of the Subsidy Control act, as will have been assessed under the TCA.

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

As per 4.16

In addition in paragraphs 1.4 and 2.2 it refers to this first report being a “baseline” for future reports. Innovate UK have concerns that, while it is a start, it may not provide an accurate baseline due to the ongoing use of Legacy schemes masking the true impact of the Subsidy Control Act.