

Response to Guidance on the operation of the subsidy control functions of the Subsidy Advice Unit Consultation Document

Response to consultation questions

Question 1: Do you agree with the objectives for pre-referral engagement?

Yes, the Fund has noted in previous consultation responses that it is concerned about the time and resources required to comply with the Subsidy Control Regime. Pre-referral engagement to clarify exactly what identifying information should be submitted will help the Fund to compile only the information that is relevant and necessary. This efficiency will assist the Fund in ensuring the prudent expenditure of public resource. Further to this point, the Fund would appreciate clarity around the expected timeframes of this pre-referral engagement such that the process does not become burdensome or delayed in situations where the Fund is endeavouring to distribute funds into communities urgently, for example when funding in response to public crises.

Question 2: Do you agree with the proposed approach to transparency (including publication of summary information at the time of a referral)?

Yes, we agree with the proposed approach.

Question 3: Do you agree with the proposed approach to the treatment of confidential information?

Yes, we agree with the proposed approach.

Question 4: What might public authorities, beneficiaries, and other interested parties expect to be included in SAU reports. In particular, how much advice should the SAU give on how to improve the assessment or modify the subsidy or scheme?

The Fund would expect detailed, substantive reasons to be given for conclusions made in an SAU report so that the Fund can clearly understand the SAU's methodology and conclusions reached.

The Fund would welcome advice around how its assessments might be improved, and advice around how a proposed subsidy or scheme may be modified to ensure compliance with the requirements of the Act. Detailed advice in this area would help the Fund learn and navigate the new Subsidy Control Regime. As the Fund becomes familiar with the SAU's requirements, it would expect that less detailed advice would be needed.

Question 5: What might stakeholders find useful to see included in the SAU's monitoring reports?

A consideration of whether the regime is placing an unreasonable compliance burden on National Lottery Distributors would be useful.

It would also be useful if the engagement with "relevant stakeholders" was to include seeking the views of National Lottery Distributors such as the Fund, being the largest distributor of National Lottery monies, particularly on the review point of whether costs and benefits of the regime are in proportion and how they are distributed across the UK. Consultation with public funders such as the Fund that focus on community benefit initiatives rather than commercial outcomes will cover off an important sector of public funding that is subject to the subsidy regime.

Question 6: Do you agree with the SAU's Prioritisation Principles?

No comment.

[Redacted]

10 August 2022

The National Lottery Community Fund