

Public Authorities' experiences of the Subsidy Control Regime

Research findings report
October 2025



REVEALING REALITY

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Introduction

Purpose of the research

The Subsidy Control Act 2022 requires the Subsidy Advice Unit (SAU) (part of the CMA) to undertake regular reviews of the new Subsidy Control Regime, which came into force in January 2023.

These reviews will cover:

- a) the effectiveness of the operation of the Act, and
- b) the impact of the operation of the Act on competition and investment within the United Kingdom.

The first period the SAU has been asked to consider is from January 2023 to March 2026. The SAU has gathered a range of evidence to inform its monitoring report. This includes the research described in this report (which was conducted on the SAU's behalf by research agency Revealing Reality) to capture and understand Public Authorities' experiences of the Regime.

Public Authorities are defined as any organisation with the power to award subsidies under the Subsidy Control Act 2022. This includes UK Government departments, Devolved Governments, Local Authorities, Arm's-Length Bodies, and other public sector organisations responsible for delivering public policy or funding.

Research objectives

The overall project objectives were to explore the effectiveness of the operation of the Act from the perspectives of Public Authorities, including their experiences of:

- Assessing the compliance of a standalone subsidy or subsidy scheme with the Subsidy Control principles and how they shape consideration of subsidies / schemes.
- Accessing support to undertake their assessment.
- Streamlined routes, and certain thresholds within the Regime (e.g. for Minimal Financial Assistance and referral to the SAU).
- The process of referring to the SAU and how it shapes views of subsidies.
- The Subsidy Database and any other transparency/accountability arrangements.
- The impact of the Competition Appeal Tribunal's role (including how the potential for review by the CAT shapes subsidies).

An initial pilot phase also sought to:

- Explore and evaluate different approaches to recruiting Public Authorities for research participation.
- Test the effectiveness of the data collection instrument (developed by the CMA and Revealing Reality) in generating high-quality insights on this topic and with this audience.

Methodology

A project delivered in two phases

This project was delivered in two parts:

- An initial pilot – *February to March 2025* – designed to gather evidence about Subsidy Control implementation from 25 Public Authorities, while also testing the effectiveness of recruitment approaches and assessing the feasibility of the hybrid methodology. In particular, the pilot examined whether robust and representative quantitative data could be captured alongside qualitative insights.¹
- The extension – *June to September 2025* – built on the pilot by collecting data from a further 25 Public Authorities. Evidence from the pilot on methodological effectiveness was used to inform this stage. To broaden the profile of the achieved sample from the pilot phase, minimum quotas were set by type of Public Authority and by nation.

Recruitment

The sampling data for this research, used during the pilot phase and again for the extension phase, came directly from the CMA, who randomly sampled 450 subsidies / subsidy schemes from an export of the full Subsidy Database, which was downloaded on 6 February 2025.

An additional sample of 842 subsidies and subsidy schemes, also drawn from the original download of the Database, was subsequently provided for the extension phase, along with a list of 51 subsidies that had been referred to the SAU. This was done to ensure quotas were met for Public Authorities with referral experience.

The order in which Revealing Reality could contact and recruit Public Authorities was randomised to minimise the effects of bias, with this randomised order assigned by the CMA to all subsidies / subsidy schemes. Some Authorities were contacted about all relevant subsidies / subsidy schemes from the sampling data at once. Others were contacted multiple times where the different subsidies / subsidy schemes were likely to have different teams responsible for them.

In total, 215 unique teams within Public Authorities were contacted for this research.

Most Authorities were contacted via email. While phone numbers were available, these were often generic numbers for the Authority, making it difficult for researchers to get through to the right person. Emails were personalised using the person's name and the subsidy name/description, and were all sent with an authentication letter from the CMA and an information sheet describing the goals of the research and what taking part would entail.

¹ The interviews were delivered in a hybrid format, involving both quantitative (a scripted survey) and qualitative (interview) components. For a full explanation of the methodology used in this research, please refer to the Technical Annex.

Fieldwork: 50 1-hour remote interviews with quantitative and qualitative components

The interviews were delivered remotely. The interviews consisted of both quantitative (a scripted survey) and qualitative (structured interview) components. 19 of the 50 interviews were conducted with more than one member of staff from the Public Authority. Interviews with multiple attendees were requested by the Authorities themselves, who reported that more than one person had been involved with the processes of designing and delivering the subsidy / subsidy scheme and the assessment.

Topics covered in the interview included:

- Understanding and perceptions of the Subsidy Control Regime
- Experiences of the subsidy design process, transparency and compliance
- Understanding and experiences of the Subsidy Advice Unit and the Competition Appeal Tribunal
- Whether the Act works as intended

To see the full data collection instrument, including all quantitative and qualitative questions asked, please see the technical annex.

Note: Findings in this report are based on what participants said during the research. In some cases, their views reflected misunderstandings about aspects of the Subsidy Control Regime or the roles of different parties within it. This report therefore reflects participants' perspectives, which may not always align with how the Regime is designed to operate.

Sample

In total, 50 interviews were completed – 25 in the pilot phase and a further 25 in the extension. Of the 50 interviews, 48 were with unique Public Authorities, while two interviews were completed with different teams within the same Public Authority.

In this report, where we refer to 'Public Authorities' we are referring to the 50 unique teams within Public Authorities interviewed as part of this research.

Those interviewed were from different types of Authority:

- **27** were from **Local Authorities**
- **11** were from **UK Government departments / Devolved Governments**
- **12** were from **Arm's-Length Bodies** or **'Other' Public Authorities**

There was also spread in terms of nation:

- **27** were from **England / UK-wide**
- **9** were from **Scotland**
- **6** were from **Wales**
- **8** were from **Northern Ireland**

Public Authorities also varied in terms of their approximate staff headcount,² though a majority of Authorities were classified as 'large':

- **4** were from **small** Public Authorities (11 to 50 employees)
- **5** were from **medium** Public Authorities (51 to 250 employees)
- **41** were from **large** Public Authorities (251+ employees)

Participants worked in a variety of different roles, including:

- Legal teams
- Finance teams
- Public Authorities' internal subsidy control teams
- Risk and compliance teams
- Programme or policy leads
- Fund managers
- Strategic leads

Two further participants from one of the Public Authorities completed the survey independently of the interviews, leading to a total of 52 survey responses. However, personal details about these participants, including those relating to Authority type or specific subsidy / subsidy scheme, were not provided as they completed the survey during the pilot phase, when the survey did not contain questions capturing this information, which was subsequently added for the extension phase. Data from these two responses therefore has not been used in analysis by type of Public Authority and nation.

Sample limitations

- Although selected at random, with measures in place to limit bias towards Public Authorities with high numbers of awards, the sampling data aimed to provide a wide range of subsidies / subsidy schemes, rather than representativeness.
- Similarly, while a good mix of Public Authorities by nation and Authority type participated in the research, the achieved sample is not representative of the total population of Public Authorities who have awarded subsidies / subsidy schemes.
- This research may also be subject to a self-selection bias, since participants voluntarily agreed to take part in the interview. It could be that the views and experiences of those Authorities who did not take part in the research differ from those in the achieved sample.
- Due to small base sizes, subgroup comparisons (e.g. by type of Authority or nation) should be interpreted with caution, as statistical comparison is not possible.
- The sample does not include any Public Authorities who had not listed a standalone subsidy or subsidy scheme on the Subsidy Database when the sample was taken.

² These figures were determined through self-reported staff size at the Public Authority and publicly available information online.

Note: Because of small base sizes, quantitative findings in this report are presented in terms of the number of participants that selected each response, rather than a percentage. For charts broken down by specific subgroups, the size of each bar represents the proportion of participants that selected a response out of the total size of that subgroup, to enable comparison.

Identifying and understanding subsidies

Decision-making on subsidy / scheme classification

Most Public Authorities were confident in their decision that the funding should be subject to Subsidy Control

The majority of Public Authorities were confident that the funding they had awarded through the subsidy or scheme being discussed was a subsidy. Alongside existing knowledge about public financing within the Public Authorities, there were several tools they had used to confirm this.

First, many had used the Statutory Guidance - in particular, the explanation of the four limbs set out in Chapter 2 and the process for the four-limbed test set out in Annex 2³ of the Guidance.

*“So, we drew on some of what external legal advisors had provided and **obviously referred to the Subsidy Control Statutory Guidance** and the various annexes of that.”*

Local Authority

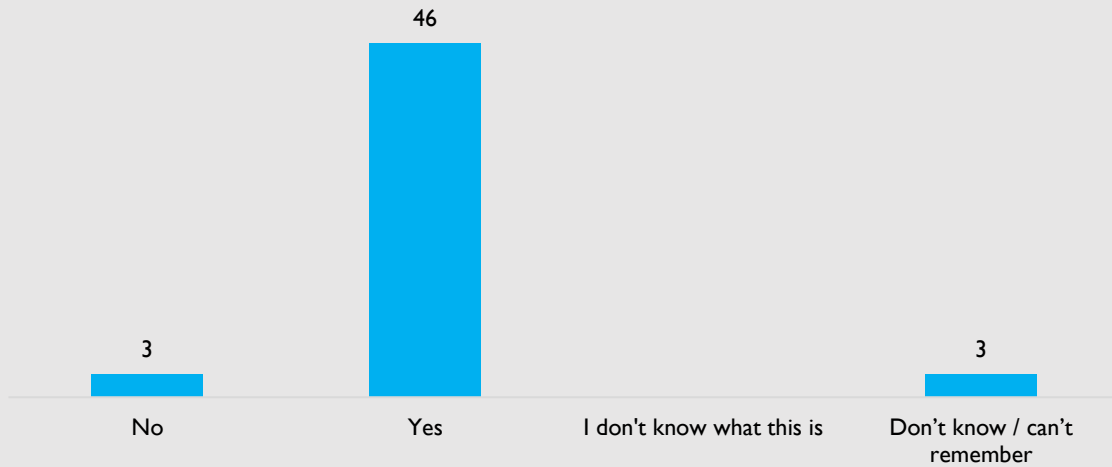
*“I went through the Guidance, and I built my own template for looking at the tests, etc. and going through them. But I said before this was very, very simple on the basis this was a one-off payment. So, **we knew it was a subsidy**. And when we ran through the test it was very, very clear that that is what it was.”*

UK Government department / Devolved Government

46/52 participants from Public Authorities reported they had engaged with the Statutory Guidance as part of the process of designing the subsidy or scheme discussed during the fieldwork.

³ [GOV.UK, UK Subsidy Control Regime: Statutory Guidance, 2022 / updated 2025](#)

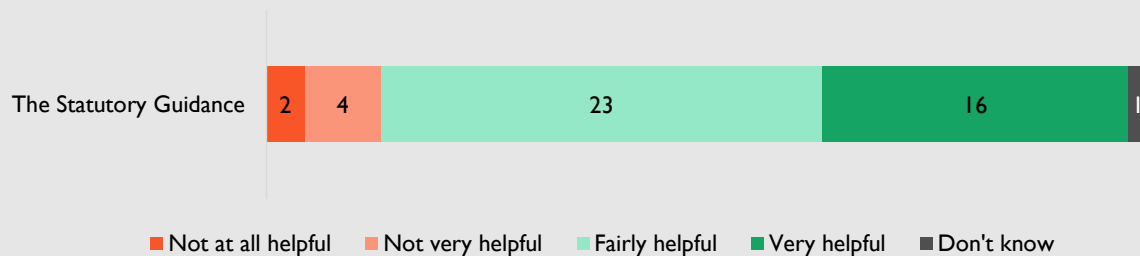
Proportion of participants that used the Statutory Guidance for advice, guidance or support when designing the subsidy or scheme



Q: "In designing [the subsidy/scheme] which of the following sources of advice, guidance, or support, if any, did the Authority draw upon? The Statutory Guidance." Base n=52

Of these, 39/46 found the information 'fairly helpful' or 'very helpful'.

How helpful participants that had used the Statutory Guidance reported finding it



Q: "How helpful, if at all, did you find those sources of advice, guidance, or support? The Statutory Guidance." Asked to those that had used the source. Base n=46

Beyond this, Public Authorities also reported receiving internal or external legal advice that recommended the funding they were awarding should be considered a subsidy.

*"The [external] **legal advice** that we had, it was 'Yeah, okay, this is, in our view, a subsidy in terms of the four-limb test.'"*

Local Authority

*"**Any kind of [funding] decision has to go through legal [teams], and they always ask about the Subsidy Control implications.**"*

Local Authority

Finally, a handful of Public Authorities reported that they were continuing a policy programme and funding that had started under State Aid. Given that the funding had been deemed a subsidy under the previous Regime, they had continued to deliver it in this way.

*“There's still debate to this day about whether we could have argued that it wasn't a subsidy ... it **was a legacy based on a legacy scheme that had gone through EU State Aid approvals**. So, again, the assumption was, as we were building on that it would be a subsidy.”*

UK Government department / Devolved Government

However, determining whether funding was subject to the Subsidy Control Regime wasn't always a simple, clear process

Despite most Public Authorities being sure, at the point of interview, that their funding was subject to Subsidy Control, several Public Authorities mentioned that there had been discussions or disagreement to get to this decision, with a few still uncertain about whether the funding should be considered a subsidy.

This was more often for individual subsidies, as opposed to schemes. This disagreement was either within their organisation and/or with external parties involved, including external legal advice.

*“We **didn't believe our programme would be subject to [Subsidy Control]** ... we were of the opinion that we didn't meet two of the limbs, but ultimately we had to go with what the [external experts] were saying.”*

Local Authority

In a number of situations, Authorities had erred on the side of caution and classified the funding as a subsidy.⁴ One Public Authority reported that it felt riskier to not register the award as a subsidy because the exposure to potential challenge was perceived to last a lot longer than the month allowed for subsidies on the Database.

*“Some funders might be happy to take the risk that it's not a subsidy. Others **might say the least risky option is to say it's a subsidy and act accordingly.**”*

Local Authority

*“If we make a decision that it's not a subsidy, the challenge window would be six years. **If we make a decision that it's a subsidy but compliant and upload it, the challenge window is one month.** That seems misaligned... You think that no subsidy is less risk, therefore there should be less challenge window.”*

UK Government department / Devolved Government

A small group of Public Authorities suggested that internal and external legal teams were more likely to recommend that funding should be deemed a subsidy or scheme, while policy or related professionals would be more likely to make the case that it was not. In a similar

⁴ Note that Public Authorities in scope of the research were those who determined certain funding awards should be considered subsidies and subsequently entered these awards onto the Subsidy Database (from which the sample was drawn). Therefore, the research excluded any Public Authority that assessed a particular funding award as not a subsidy and did not make a transparency entry onto the Database.

vein, a range of Public Authorities described their internal legal teams as 'risk averse' when it came to this decision-making.

"I've advised people several times, because for a lot of the economic development officers, the standard line is, 'Well, you know, this is only local development, so surely we don't need to bother with a Subsidy Control assessment here because there can be no possible effect on competition.' And my answer is usually, 'Probably [there won't be an effect on competition], but you still need to do the assessment,' because the guidance on the new legislation does touch on this a bit."

Internal Legal Team, Local Authority

*"Subsidy Control is not the favourite subject of a lot of people, so it is something that we have to keep banging the drum about. **They don't like it because sometimes it makes the process longer.** So obviously, **if it's not a subsidy, it chops a whole load of red tape out of the process,** I assume... So, yeah, it's not everyone's favourite subject, but it is what it is, so they've got to live with it."*

Internal Legal Team, Local Authority

There were some circumstances that Public Authorities found particularly confusing to navigate. These included:

- When the funding came from multiple providers, identifying who was responsible for conducting the Principles Assessment and registering on the Database.
- When funding had been provided by another Public Authority to distribute onwards or was being given to another Public Authority to distribute onwards, it wasn't always clear if a Principles Assessment was needed and who should do it.
- Where policy teams felt strongly that there would not be an impact on competition from the funding they were awarding because of the organisation's geography and local market. For example, some of the subsidies were being awarded on small islands, where the issue of competition was unclear.

*"**Lots of our subsidies go to other Public Authorities** and the definition of when a Public Authority is or isn't an enterprise and when to use the flow-through principle was really confused and complicated and tricky."*

UK Government department / Devolved Government

"It's the size of our Authority and our location is relevant when we come to subsidy control assessments, particularly this point about local effect on competition... a lot of the economic development officers, the standard line is, this is only local development, so surely we don't need to bother with a subsidy control assessment here because there can be no possible effect on competition."

Local Authority

Of the 52 participants in the sample, 24 reported they had used either the DBT Subsidy Control team or a Devolved Government subsidy control team. A subset of these Authorities had requested advice as to whether funding would be classified as a subsidy and be subject to the Subsidy Control Regime.

*“We have just **been working closely and taking advice and guidance from the [subsidy control team]** which is within [Devolved Government]. So, they very much are our, as I say, advisor.”*

Arm’s-Length Body / ‘Other’ Public Authority

Public Authorities reported that schemes made it simpler to fund multiple beneficiaries for the same policy programme

The research captured the view of 22 Public Authorities about subsidy schemes. For many of these organisations, schemes offered an opportunity to provide funding to several beneficiaries associated with the same grant programme and/or policy. Delivering this funding as a scheme simplified the process of practically delivering a grant scheme and distributing the funding to a range of organisations.

*“**It felt a lot easier doing a single national scheme to cover all of it...** quite a lot of Local Authorities were very nervous at that point of Subsidy Control, so there was an element of trying to help them.”*

UK Government department / Devolved Government

*“A grant mechanism was deemed the quickest and easiest way of doing that... it probably is the most **efficient way of bringing providers on board** and in the most efficient manner and suits the very **broad spectrum of different organisations** that we work with. This method of distributing the grants kind of works better for that **mixed economy.**”*

Local Authority

At least three Public Authorities chose to set up a scheme rather than deliver minimal financial assistance (MFA). This was often because they felt that delivering funding using MFA would have involved more administrative effort; either assessing every individual beneficiary’s funding or supporting the beneficiaries to provide the information needed for MFA was seen as potentially more burdensome than setting up a scheme.

*“If you're going to create a scheme under which you're going to be awarding lots of individual bits of [funding] to lots of individual people, for it to be MFA you'd need to be able to ascertain that every single person that you're [awarding funding] to is within their MFA limit. So, you can't just decide that your scheme as an overall thing is going to be MFA because you'd need to check each individual and **it just sort of feels like a lot more work to be honest, than just agreeing that it's not MFA.**”*

Arm’s-Length Body / ‘Other’ Public Authority

*“Generally, with our grant schemes, because they're quite structured, we know what the priorities are for them. So, we do tend to advise other colleagues in the council who might lead on grant programmes to create a subsidy scheme for it, just so anything's captured within that subsidy scheme. **So, it could have contributed towards their MFA, but because it was grant specific, that's why we decided to put it under as a subsidy scheme...** a lot of [external organisations] don't understand what a subsidy is and a lot of them, when we ask them about MFA, they don't understand what it is.”*

Local Authority

For one Arm's-Length Body / 'Other' Public Authority, the decision to set up a scheme rather than deliver MFA was taken because they thought this would impact the beneficiary's ability to receive MFA in the future. It is of note that they used the terms 'MFA' and 'de minimis' interchangeably.

*“We awarded a standalone subsidy because **we wanted to leave their de minimis⁵ allowance untouched.**”*

Arm's-Length Body / 'Other' Public Authority

In one devolved nation, one Public Authority considered using MFA as part of their subsidy awarding, but the added complexity of also needing to meet EU State Aid / de minimis rules meant they felt it would be too confusing for the beneficiaries. As a result, they set up a scheme.

Specific types of subsidies and schemes used

13 subsidies or schemes in the project were SSoPIs at the time they were uploaded to the Database

One of the sampling ambitions for this project was to reach a range of subsidies or schemes that had been referred to the Subsidy Advice Unit (SAU). 13 individual subsidies or schemes were referred, and all of these were classified as Subsidies or Schemes of Particular Interest at the time they were referred. The research also included three Subsidies or Schemes of Interest, but none of these were voluntarily referred.⁶

The subsidies and schemes deemed to be SSoPIs and SSols were distributed by all different types of Public Authority. The majority of Public Authorities understood that there were financial thresholds in place that dictated whether a scheme was deemed to be an SSoPI. They also often understood that these subsidies would need to be referred to the SAU.

Public Authorities awarding SSoPIs that mandated a referral to the SAU largely reported they made funding decisions in their policy area regardless, meaning the requirement to refer had not had a deterrent effect on their particular Authority.⁷

⁵ Note, this participant confused the language of MFA with 'de minimis' and was actually referring to MFA in this part of the discussion.

⁶ All the interviews were conducted with Public Authorities who had given out subsidies prior to Subsidy Control (Subsidies and Schemes of Interest or Particular Interest) (Amendment and Revocation) Regulations 2025 (SI 2025/845). This meant that the subsidies and schemes were deemed to be SSoPIs if they had a threshold of £10 million and SSols at £5 million.

⁷ Note: By nature of the sampling technique used in this research, all Public Authorities in the sample had made a subsidy / subsidy scheme despite the requirement to refer, meaning Authorities that had been deterred are unlikely to have been included.

One Public Authority reported some confusion about whether the threshold for SSoPIs was applied to the amount of funding the beneficiary received, or the amount given out by a single Public Authority.

*“The [Devolved Government subsidy control team / DBT Subsidy Control Team] **thought that because there were a number of public sector organisations funding [the project] it would cross the threshold.** But whenever we did eventually get speaking to CMA, they said ‘No, each subsidy has to be treated independently.’”*

Arm’s-Length Body / ‘Other’ Public Authority

A few Public Authorities used MFA to avoid the need to complete a Principles Assessment

Overall, there was mixed understanding and use of minimal financial assistance (MFA) among the Public Authorities. For the particular subsidies and schemes being discussed in this research, only one Public Authority had used MFA. However, many of them had used MFA for other subsidies and schemes. For several, MFA had been considered but had been ruled as inappropriate or more complicated than awarding as a subsidy or setting up a scheme.

Where Public Authorities spoke about their general experience with MFA, a small group reported that the main challenge when using MFA was the beneficiary’s knowledge and understanding of public funding rules. For example, Public Authorities reported that smaller organisations or charities often had a limited understanding of the language, systems or bureaucracy that came alongside receiving the funding.

*“I think a lot of the issues we have is, if we're going out to external organisations, **a lot of them then don't understand what a subsidy is. And a lot of them, when we ask them about MFA, they don't understand what it is.**”*

Local Authority

A minority had reduced the funding provided to enable them to distribute funding using MFA. This enabled them to avoid having to complete the Principles Assessment.

*“If we feel like the justification for the inward investment might be difficult, then we have not progressed it or **we’ve reduced the amount of funding to below the MFA threshold because you can award funding at that level without addressing some of the key points which are in the approach and guidance.** So certain elements fall away if you make it below the threshold.”*

Local Authority

Several Public Authorities reported systems to track the volume of subsidies awarded to different local organisations over time. One Public Authority noted that when a single beneficiary was being funded by multiple Public Authorities, it could be hard to coordinate and work out if their funding was the one to ‘tip’ it over the MFA threshold.

Streamlined routes were not widely known about or fully understood

Awareness and understanding of the streamlined routes were variable across the range of Public Authorities involved in this research. A sizeable group had no knowledge of them and hadn't heard anything about them. Second to this, most commonly, Public Authorities had heard the language of 'streamlined routes' and knew that they existed, but had not used them and, as a result, were unconfident in their understanding of how they worked.

No Public Authority interviewed in the project had used the streamlined routes for the subsidies they had awarded.

"I don't know what streamlined routes are..."

Local Authority

"Streamlined routes is something that I've heard the term for, but not used or had a chance to... I may have to look it up."

Local Authority

For the majority of Public Authorities who had some awareness of the streamlined routes, they were felt to be too narrow and prescriptive and therefore not useable or helpful for most Public Authorities. Many said they would like to have a streamlined route within their sector or policy area.

"What I think the issue is that because they are fairly prescriptive in nature, they're not widely used, or people tend to forget about them."

Local Authority

"But the scope of a lot of those streamlined routes are so narrow and specific... I think broader and more encompassing streamlined routes would be better placed."

Arm's-Length Body / 'Other' Public Authority

"We haven't used any of them... None of them have fit with what we do, so if they could create more, that would be helpful... If they [made] some that fit with Local Authorities, then yeah, we'd certainly use them. But I just feel like they're not Local Authority related."

Local Authority

"I remember in the Guidance there were some kind of streamlined routes for if your scheme or the subsidy that you were awarding met certain criteria, and I think at the time there were like four or five streamlined routes that had been identified but none of our schemes met the criteria."

Arm's-Length Body / 'Other' Public Authority

A few mentioned they had been aware of, or involved in, discussions about the future of streamlined routes that may be more appropriate for their Public Authority.

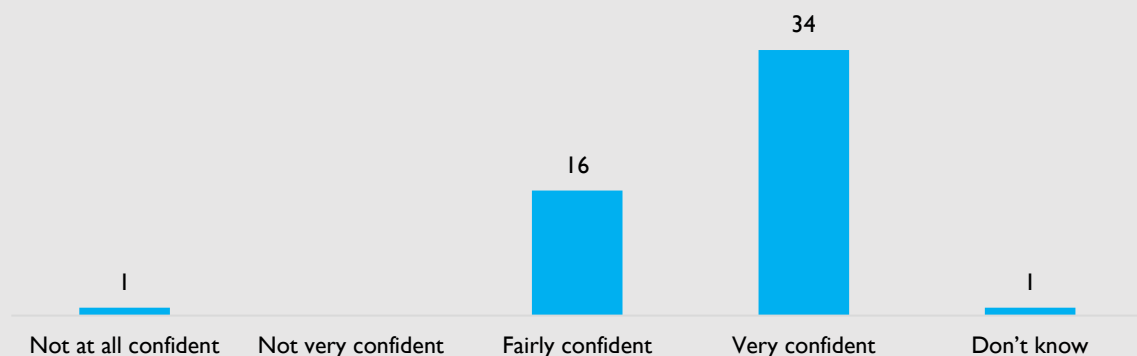
Conducting the Principles Assessment

Experience of assessing compliance

Almost all participants from Public Authorities reported being confident that their subsidy or scheme was compliant with the UK's Subsidy Control Regime

Almost all participants from Public Authorities felt confident they had gone through correct processes and had no reason to assume their subsidy or scheme was not compliant with the Regime.

How confident participants felt that the subsidy / subsidy scheme was compliant with the UK's Subsidy Control Regime



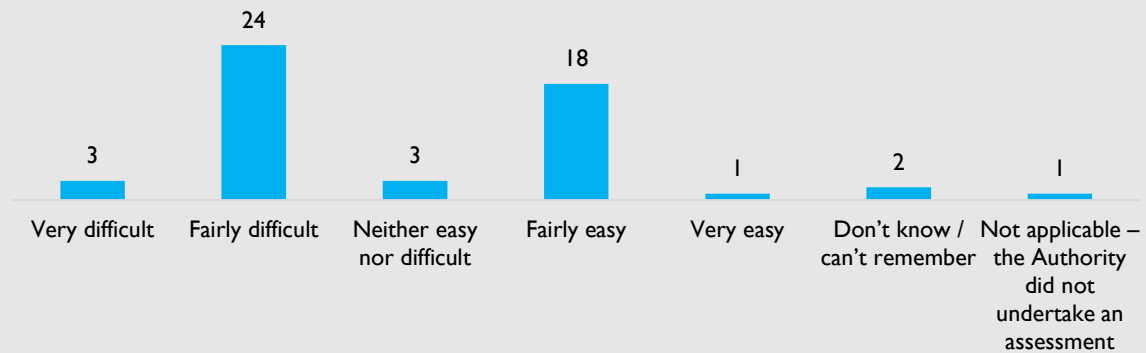
Q: "How confident, if at all, are you and your colleagues that this subsidy/subsidy scheme is compliant with the UK's Subsidy Control Regime?" Base n=52

A few Public Authorities referred to the fact they had not been challenged or told otherwise as evidence that their subsidy or scheme was compliant.

There was a mixture of participants who felt it was 'fairly easy' and 'fairly difficult', to complete the Principles Assessment

Of the 52 participants from Public Authorities, 27 described finding the Principles Assessment 'very' or 'fairly' difficult, whereas 19 described finding it 'very' or 'fairly' easy.

How easy or difficult participants reported finding the assessment of compliance



Q: "Thinking about [the subsidy/scheme], how easy or difficult did you and your colleagues find it to undertake an assessment of compliance against the Subsidy Control principles?" Base n=52

Public Authority type may influence how participants responded to this question. Of the Public Authorities interviewed, 5 of 11 UK Government departments / Devolved Governments described finding the Principles Assessment difficult, compared with 7 of 12 Arms-Length Bodies / 'Other' Public Authorities, and 15 of 27 Local Authorities.⁸

Some Subsidy Control principles, particularly principle F, were often highlighted as more challenging to address

Assessing principle F was identified as particularly challenging by several Public Authorities. A few felt there were not clear, objective thresholds for what constituted a significant distortion of competition.

*"I think the **question of distortion in the market and how you establish that is quite difficult really**, because the wording is: is it significant distortion in the market? So, I suppose **it's the measure of what is significant** and what is not."*

Local Authority

*"Well, I suppose it is arguably potentially going to distort markets. But you know, **where do you draw the line?**"*

Local Authority

⁸ Note: The small base sizes limit the ability to statistically explore differences by Public Authority.

*“Just trying to understand the different elements of the assessment and having the underpinning data to support the subsidy intentions... **I had to do a lot of research to understand, in terms of this project, what the implications were, how it might affect distortion, competition, impact on local organisations that maybe could be competitive with this organisation.**”*

Local Authority

A few felt that full economic assessments or impact modelling were required in order to fully assess principles A and F. However, they were not always sure they would have sufficient information to complete these tasks.

*“You start to question yourself... **there are questions about market failure, and am I expected to go into really detailed economic analysis,** looking at different types of market failure, which I am always tempted to do, but I know other colleagues will go, ‘Well it just needs a grant.’”*

Local Authority

*“**We undertook a market review analysis of [distortion to the market]** ... While anecdotally we could have said, ‘Look, it's going to have limited impact,’ we wanted to be sure that we could evidence that and demonstrate that as well.”*

Local Authority

Principle G, balancing impact on competition with beneficial effects, was also highlighted as being hard to assess.

*“**There is a fundamental imbalance between what might be socially beneficial and what might distort competition...** [the beneficiary] is going to bring a significant amount of social good, but they are going to potentially challenge existing private sector, small local companies... There's quite a lot of potential to distort local competition, but at the same time as delivering social good.”*

Arm's-Length Body / 'Other' Public Authority

At least one Public Authority felt the four-step approach was not as helpful as it could be, causing confusion and adding work.

*“I think **the four-step approach is causing extra work** and is confusing Public Authorities ... I just do not think there's a logic to combining together Principles A and E, and C and D and B and F.”*

UK Government department / Devolved Government

A small group of Public Authorities felt that the Principles Assessment was ‘redundant’ when there was only one viable operator or beneficiary. These Public Authorities did not feel their subsidy would affect market competition.

*“Trying to prove the economic benefit or to clarify any competition when there wasn't any competition there... **it felt like we were trying to sort of make things up that weren't really necessary**, because once we'd explained at some point in the application that we'd already consulted with other operators and there was no one interested other than this one operator, then **the question seemed to keep requiring that it be repeated, and we had nothing extra to say, so I found that difficult.**”*

Local Authority

A few Public Authorities mentioned feeling as though there was overlap between some of the principles.

*“Sometimes it took us a while to work out exactly where to write our answers... **some of the principles kind of bled into each other.**”*

UK Government department / Devolved Government

A small group of Public Authorities reported being unclear on how much detail to go into in their Principles Assessment

Several Public Authorities noted that unclear expectations about the required depth could create uncertainty about the risk of over- or under-reporting. This uncertainty was sometimes compounded by limited feedback on assessment quality and challenge within the Regime. A few wanted external feedback or validation to provide a more definitive response on whether the Principles Assessment was sufficient or not.

*“Because there haven't been any challenges or anything else, you're never quite sure. Do you spend money on external consultants, etc. to help with that? **What level of detail do you need to go into yourselves to determine whether something is compliant or not?**”*

Local Authority

*“There's nobody marking you. You don't submit that and get feedback to say, 'Yes, that's right, we understand what you're saying and agree that that means that that does meet that principle'... So, **it's very difficult to know when you've written enough**, because you feel like you could go from anywhere between writing one line, writing a whole page, or you could write absolutely reams and you could spend months just assessing one principle.”*

Arm's-Length Body / 'Other' Public Authority

A few mentioned that they deemed it unlikely they would receive a challenge on the subsidy or scheme. In these circumstances, it was considered less necessary to have everything laid out in detail in the Principles Assessment.

*“In fact, **you can get away with the most minimal information** on the forms... because it's based on the challenge principle. So, if you haven't been challenged after a certain amount of time, your subsidy is deemed to have passed, if you like.”*

Arm's-Length Body / 'Other' Public Authority

A few observed that their colleagues were conducting less detailed assessments, which made them question how much detail was required.

*“The issue for us as Local Authorities is **what level of detail we really need to go into to satisfy ourselves that we've addressed it. And I don't think there's any guidance or any case studies as such yet for us to draw on to determine that... I know other colleagues will do a lot less [than I do].**”*

Local Authority

One Arm's-Length Body mentioned that they had misunderstood the level of detail required in the Principles Assessment after mistakenly assuming that they should follow the style of others they had seen on the Subsidy Database. It was only after external lawyers raised the issue that they adapted what they had written.

*“This is what I find slightly strange. So, **you write your assessment of the scheme, but that's not what goes into [the Database]. [It's] very high level information** that basically says what it's about and what the total [value] is and who it's relevant to, but all of the detail in terms of the assessment document which says, 'Here's our definition of the market failure, here's how we're going to assess things', you publish some of that publicly/separately, but you're not having it vetted by a third party... [That's] the first major disadvantage because **we didn't have any other proof points to look at about what the right level of detail was.**”*

Arm's-Length Body / 'Other' Public Authority

The influence of the Principles Assessment on subsidy design and decision-making

Few Public Authorities had made changes to their subsidy / scheme as a result of the Principles Assessment

Public Authorities reported that they had often already agreed to spend the funding and selected a beneficiary or undergone the procurement process, prior to undertaking the Principles Assessment. This meant they felt there was limited scope for them to change the design of the subsidy after completing the Principles Assessment.

*“The fact that [the subsidy] is referred to as a subsidy to keep the service going **doesn't really make much difference to me from an operational point of view**, other than the fact there are more steps to go through at the contract stage and at the procurement stage.”*

UK Government department / Devolved Government

*“Generally, because we're making grants that have fit within [the principles] so far, **we've not yet come across a situation where we've had to sort of change anything drastically.** Overall, I think there's enough room for manoeuvre in there that it fits with our grant-making.”*

Arm's-Length Body / 'Other' Public Authority

Several Public Authorities described the Principles Assessments feeling like a 'compliance' exercise, with few implications for their work.

*“It feels like **a compliance exercise**, not a policy design exercise.”*

Arm’s-Length Body / ‘Other’ Public Authority

*“Obviously [the subsidy] has to be compliant, so we would make sure it's compliant. But I'd say so far [the Principles Assessment] probably **hasn't really changed what gets delivered.**”*

Arm’s-Length Body / ‘Other’ Public Authority

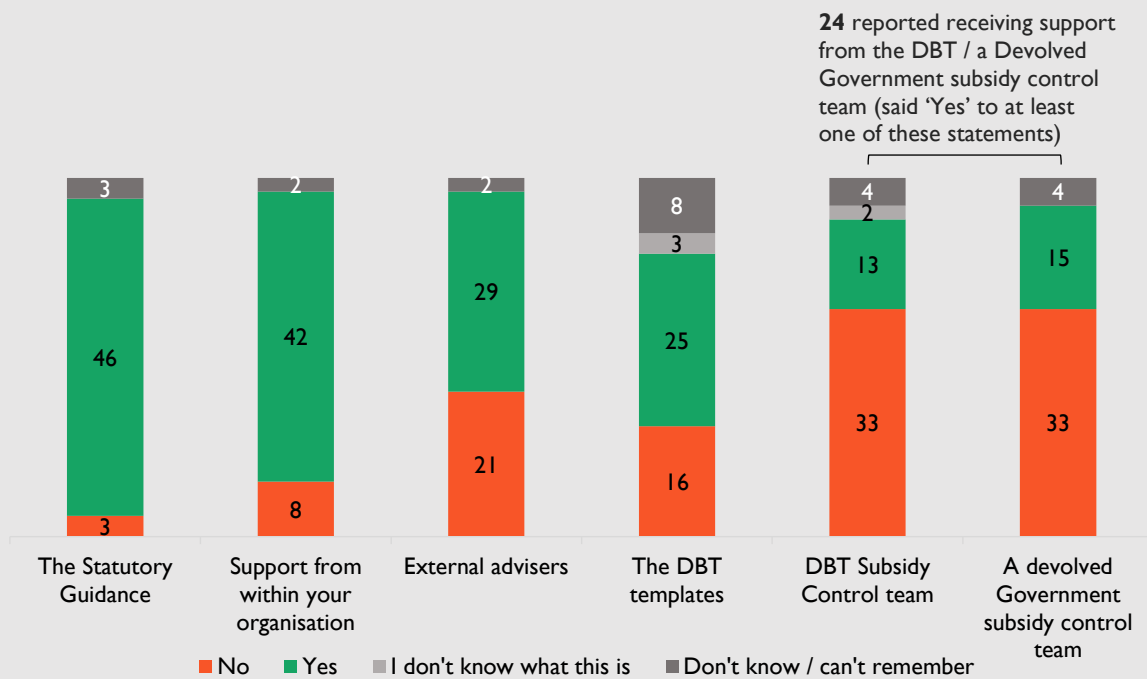
Support, guidance and the ability to self-assess

Participants from Public Authorities reported using a range of internal and external support including:

- DBT Statutory Guidance, which was the most reported source of support used (46/52 Authorities reported using this source of advice)
- A subsidy control team in the DBT or a Devolved Government
- DBT templates
- Support from within their organisation
- External advisers, including legal advice

The following section details Public Authorities' experiences of support in more detail.

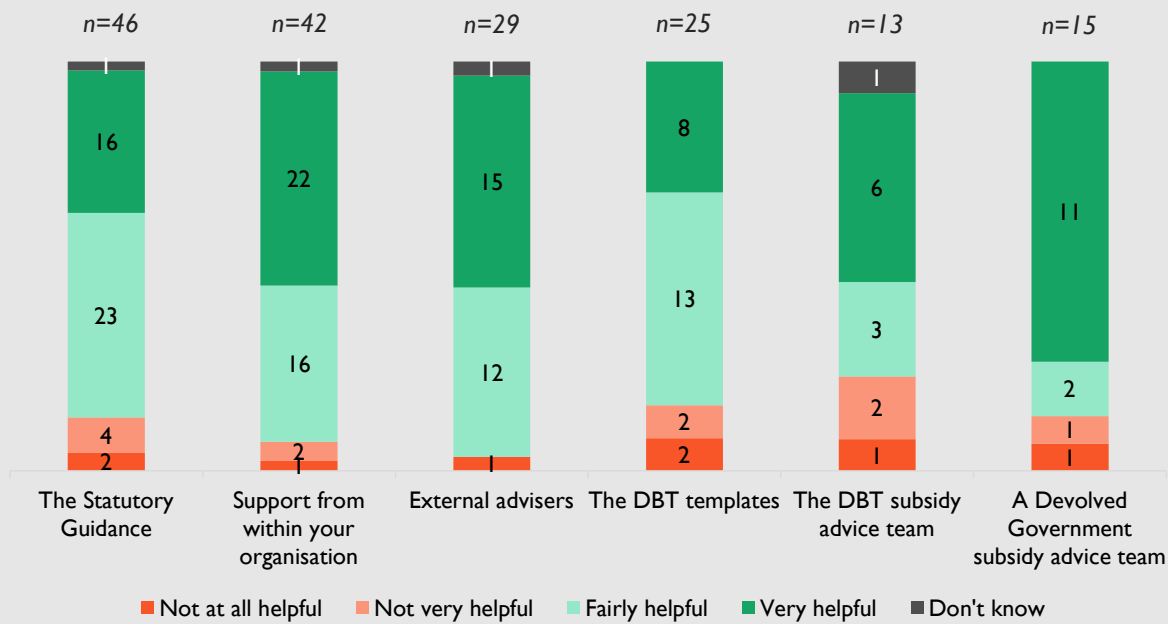
Number of participants that reported they had used different sources of advice, guidance, or support when designing the subsidy / subsidy scheme



Q: "In designing [the subsidy/scheme] which of the following sources of advice, guidance, or support, if any, did the Authority draw upon?" Number that reported receiving support from the DBT / a Devolved Government subsidy control team includes the participants that indicated they had used either one or both of those types of support. Base n=52

The majority of participants from Public Authorities that had used these types of support reported finding them helpful.

How helpful participants that had used different sources of advice, guidance, or support reported finding them



Q: "How helpful, if at all, did you find those sources of advice, guidance, or support?" Asked to those that had used the source. Base n=13-46

Use of Statutory Guidance and DBT templates

The majority had used the Statutory Guidance, while 25 out of the 52 had used DBT templates

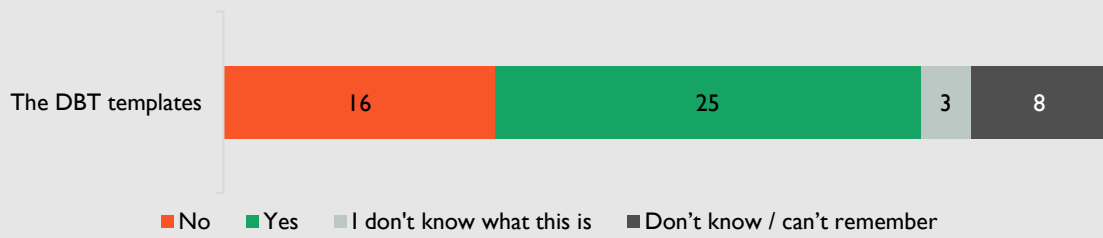
The majority of participants from Public Authorities (46/52) reported they had used the Statutory Guidance while designing the subsidy or scheme, while only 25/52 reported use of the DBT templates.

Number of participants that reported having used the Statutory Guidance in the design of the subsidy / subsidy scheme



Q: "In designing [the subsidy/scheme] which of the following sources of advice, guidance, or support, if any, did the Authority draw upon? The Statutory Guidance." Base n=52

Number of participants that reported having used the DBT templates in the design of the subsidy / subsidy scheme



Q: "In designing [the subsidy/scheme] which of the following sources of advice, guidance, or support, if any, did the Authority draw upon? The DBT templates." Base n=52

The majority who had used the Statutory Guidance reported finding it helpful, with a small minority reporting it to be unhelpful.

How helpful participants that had used the Statutory Guidance reported finding it



Q: "How helpful, if at all, did you find those sources of advice, guidance, or support? The Statutory Guidance." Asked to those that had used the source. Base n=46

Public Authorities specifically mentioned that they appreciated examples in the Guidance.

*"I think the Guidance is pretty good... **having examples in the Guidance is really good**, and it could probably do with some more to explain things."*

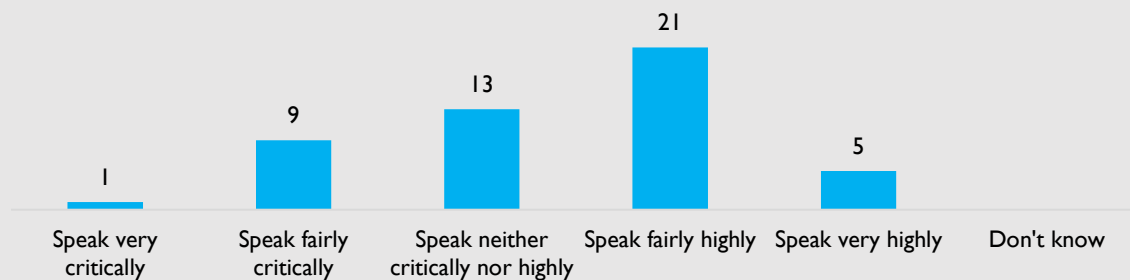
Local Authority

*"I find the Statutory Guidance very helpful, to be honest. **I think it's pretty comprehensive.**"*

Arm's-Length Body / 'Other' Public Authority

Despite this, only 26/49 of participants who were familiar with the Guidance reported they would speak highly of it, whereas 10/49 of this group reporting they would speak critically and 13/49 said they would be remain neutral.

How participants who were familiar with the Statutory Guidance indicated they would speak about it, if asked



Q: "Thinking about each of the following, which of these phrases, if any, best describes the way you would speak about it, if asked: The DBT's Subsidy Control Statutory Guidance (the Statutory Guidance)." Asked to those that indicated they knew 'not very much', 'a fair amount', or 'a great deal' about it in a previous question. Base n=49

During qualitative interviews, participants mentioned challenges using the Statutory Guidance including:

- The Guidance being long and not user-friendly.

*"It was obviously written by an extremely intelligent person, but **it's not user-friendly at all.**"*

Local Authority

*"I find [the Statutory Guidance] really difficult to interpret. That might be our level of understanding in the Local Authority, but **it's quite confusing how it's set out** ... some of my colleagues had no clue about it and didn't understand it... 'yeah but what does that mean' was the question back."*

Local Authority

- The Guidance being open to interpretation.

*"**The biggest thing is trying to interpret what's meant by a lot of it**, and things that... are common challenges for us is articulating the market failure in the economic sense."*

Arm's-Length Body / 'Other' Public Authority

- The Guidance being difficult to apply across different types of subsidy. For example, one Public Authority felt that it didn't have examples for 'large subsidies'. They had instead referred to SAU reports for guidance.

“The best and most helpful bits of the Statutory Guidance are the examples... But there isn’t anything like that for bigger [subsidies]... You can read the SAU reports on other projects and even find one that sounds kind of similar to what we might be doing, but you’re only seeing the report, and you don’t know about the Principles Assessment it was based on.”

Arm’s-Length Body / ‘Other’ Public Authority

A few mentioned not being made aware when it had been updated.

“It is updated quite regularly, and practitioners are not always told it has been updated, which is a concern for me.”

Arm’s-Length Body / ‘Other’ Public Authority

Several Public Authorities mentioned that they wanted more worked examples of assessments.

“Having access to examples of how [the assessments] are applied in the real world would be really useful.”

Arm’s-Length Body / ‘Other’ Public Authority

“I think some of the examples [the Guidance] provides are really helpful and it could probably do with more because it just makes it feel more real.”

Local Authority

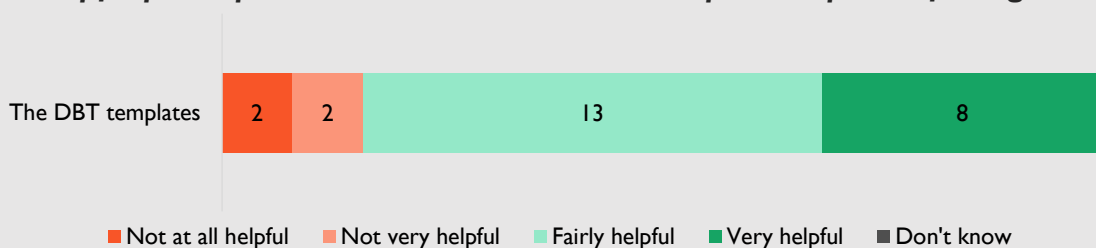
The DBT templates were generally described as helpful, though some had adapted these with legal support.

“Our internal lawyers have adapted [the templates] to reflect our needs, so now we use those with a few questions they added to say please address x, y and z. So basically, the template’s been maintained in terms of the Guidance.”

Local Authority

Out of the 25 participants from Public Authorities that reported they had used the templates, a majority (21/25) indicated they had found them ‘fairly’ or ‘very’ helpful.

How helpful participants that had used the DBT templates reported finding them



Q: “How helpful, if at all, did you find those sources of advice, guidance, or support? The DBT templates.” Asked to those that had used the source. Base n=25

Note: No Public Authority selected ‘don’t know’ in answer to the quantitative question above. Given the responses to qualitative questions, evidenced above, this suggests that some of the responses regarding how helpful the templates were may not in fact be in relation to the DBT templates specifically.

Several Public Authorities were not sure whether the templates they had used were DBT-specific templates. When asked about the DBT templates, one Arm's-Length Body / 'Other' Public Authority responded, "Probably that would be where we got our templates from".

Another **Local Authority** said, "I think there was a template provided, so I presume that would have come from the DBT".

Others were not sure, but assumed the templates came from their legal teams:

"We have a template which is logical and relatively straightforward... I think originally it came from legal services, but we've adapted it based on experience."

Local Authority

A few mentioned using templates provided by their Devolved Government subsidy control team.

"[The Devolved Government subsidy control team] had a new template that they had developed which made it easier to complete as well."

Local Authority

"We filled in a form from the [Devolved Government subsidy control team]."

Arm's-Length Body / 'Other' Public Authority

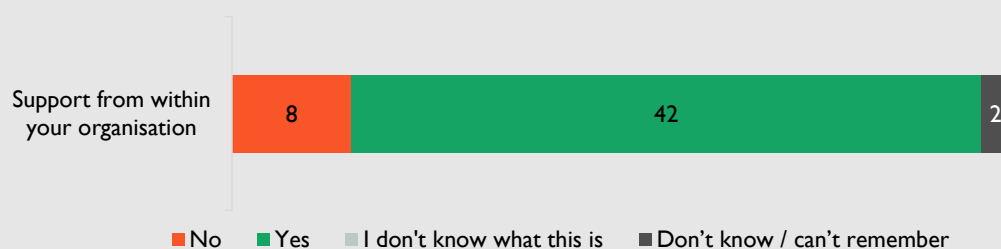
Internal capabilities to self-assess, access to internal support, and variability in team size and structure

A majority of Public Authorities drew on internal support

Public Authorities described varying team make-ups responsible for Principles Assessments. For the majority, there was more than one person responsible for conducting the assessment – often involving input from teams across policy, legal, Subsidy Control, and finance.

Most participants (42/52) from Authorities reported they had drawn on support from within their organisation in the design of the subsidy / subsidy scheme.

Number of participants that reported having drawn on support from within their organisation in the design of the subsidy / subsidy scheme

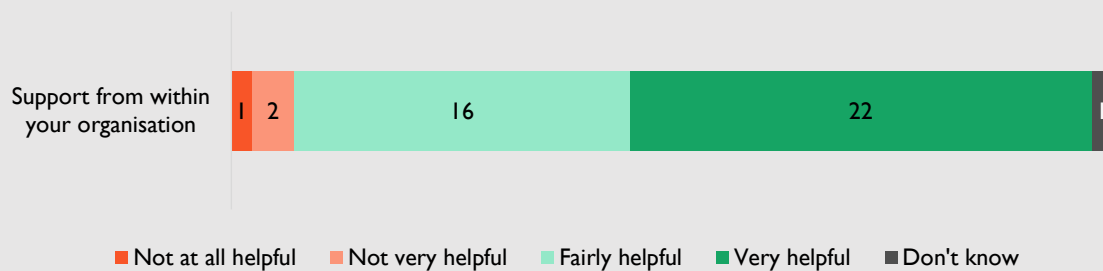


Q: "In designing [the subsidy/scheme] which of the following sources of advice, guidance, or support, if any, did the Authority draw upon? Support from within your organisation." Base n=52

Public Authority type may have an influence on participants' responses to this question. Amongst the Public Authorities interviewed, almost all UK Government departments / Devolved Governments (10/11) drew upon internal support from within the organisation, compared with 9/12 Arms-Length Bodies / 'Other' Public Authorities and 22/27 Local Authorities.

Those who had used internal support often felt it was helpful, with 22/42 indicating this support was 'very helpful'. Only 3/42 participants felt the support was 'not at all' or 'not very' helpful.

How helpful participants that had used support from within their organisation reported finding it



Q: "How helpful, if at all, did you find those sources of advice, guidance, or support? Support from within your organisation." Asked to those that had used the source. Base n=42

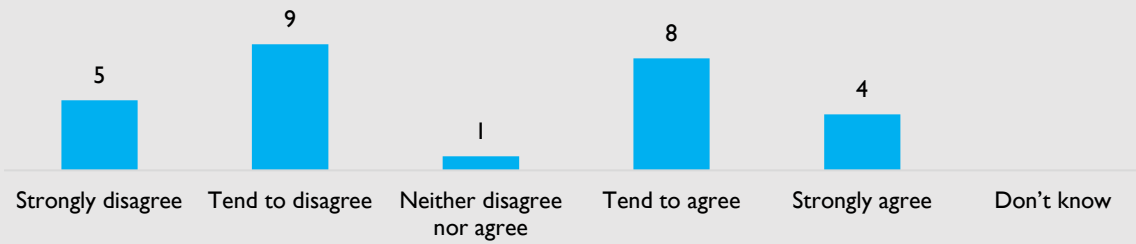
Authorities had mixed views on whether they had the resources and capacity required to complete the Principles Assessment

In the pilot phase, similar proportions of participants from Public Authorities agreed (12/27) and disagreed (14/27) that they had the capacity/resources needed to self-assess and comply with the Regime.

In the extension, however, a majority of participants agreed they had the capacity/resources, with 19/25 agreeing they had the capacity and the same proportion (19/25) agreeing they had the resources.⁹ Even so, there were some who felt they did not have the capacity (4/25) or resources (5/25).

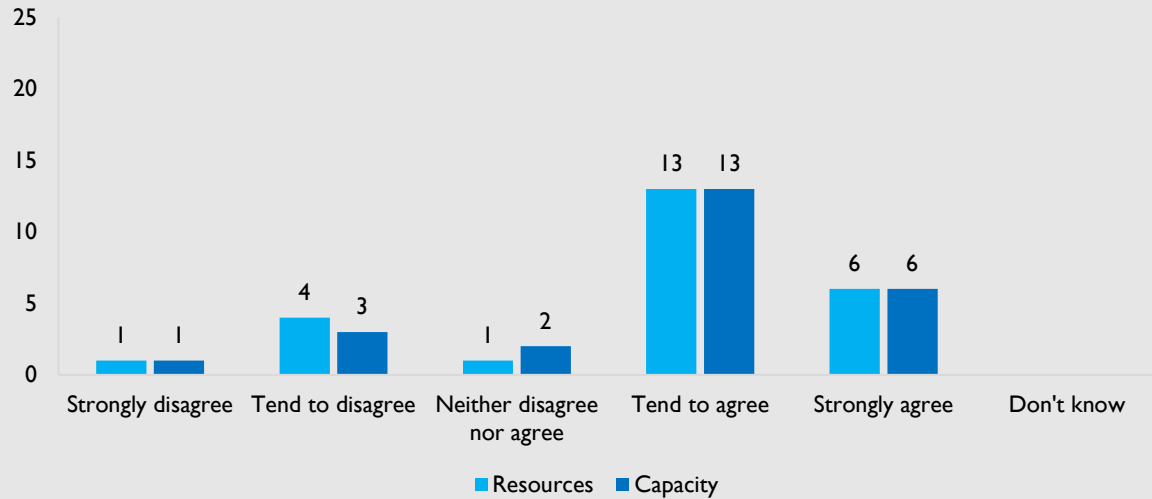
⁹ Note: The wording of this question was revised between the pilot and extension phases to gather separate data on whether Authorities felt they had the capacity vs. the resources necessary to self-assess and comply with the Subsidy Control Regime.

Number of participants from the pilot that agreed or disagreed that they had the capacity/resources needed to self-assess and comply with the UK's Subsidy Control Regime



Q [PILOT]: "To what extent do you agree or disagree that your Authority has the capacity/resources needed to self-assess and comply with the UK's Subsidy Control Regime?" Base n=27

Number of participants from the extension that agreed or disagreed that they had the capacity/resources needed to self-assess and comply with the UK's Subsidy Control Regime



Q [EXTENSION]: "To what extent do you agree or disagree that your Authority has the resources needed to self-assess and comply with the UK's Subsidy Control Regime?"

Q [EXTENSION]: "To what extent do you agree or disagree that your Authority has the capacity needed to self-assess and comply with the UK's Subsidy Control Regime?"

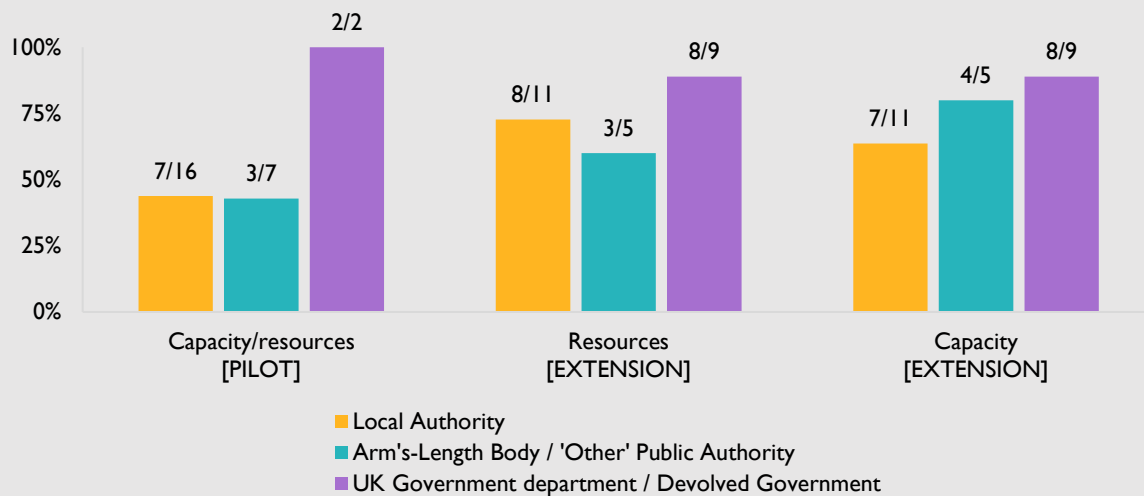
Base of both questions n=25

Public Authority type may have an influence on participants' responses to this question. Amongst those interviewed, almost all UK Government departments / Devolved Governments agreed ('strongly' or 'tend to' agree) that they had the necessary

capacity/resources to self-assess and comply with the Subsidy Control Regime, in both the pilot (2/2) and extension (8/9 for both capacity and resources).

For other types of Authority, this varied between the pilot and extension. In the pilot, 7/16 Local Authorities and 3/7 Arms-Length Bodies / 'Other' Public Authorities felt they had the capacity / resources. In the extension, this proportion was higher (though still lower than that of UK Government departments / Devolved Governments), as seen in the chart below.

Number of interviewed Authorities that agreed that they had the capacity/resources needed to self-assess and comply with the UK's Subsidy Control Regime, by type of Authority



Note: The wording of this question was revised between the pilot and extension phases to gather separate data on whether Authorities felt they had the capacity vs. the resources necessary to self-assess and comply with the Subsidy Control Regime.

Q [PILOT]: "To what extent do you agree or disagree that your Authority has the capacity/resources needed to self-assess and comply with the UK's Subsidy Control Regime?" By type of Public Authority. Base of Local Authority n=16, Arm's-Length Body / 'Other' Public Authority n=7, UK Government department / Devolved Government n=2

Q [EXTENSION]: "To what extent do you agree or disagree that your Authority has the resources needed to self-assess and comply with the UK's Subsidy Control Regime?" By type of Public Authority. Base of Local Authority n=11, Arm's-Length Body / 'Other' Public Authority n=5, UK Government department / Devolved Government n=9

Q [EXTENSION]: "To what extent do you agree or disagree that your Authority has the capacity needed to self-assess and comply with the UK's Subsidy Control Regime?" By type of Public Authority. Base of Local Authority n=11, Arm's-Length Body / 'Other' Public Authority n=5, UK Government department / Devolved Government n=9

Two participants completed the survey but were not interviewed and did not provide data on their Authority type. They have not been included in this analysis.

There did not appear to be a clear pattern in differences of Public Authorities' experiences by nation.

However, many expressed that the process was time-consuming and resource-intensive

These Public Authorities described how it had required individuals to work full-time on the assessment for a period. Estimates of how much time it had taken ranged from days to weeks to months across Public Authorities.

“The policy principles, I mean they’re quite a lot of work; it’s a huge undertaking to carry out a policy assessment on an individual subsidy or a scheme. And some of the learning I think is still being done around what some of the policy principles actually are.”

Local Authority

*“I couldn’t say with absolute confidence that I’ve got the time to sit down and really thoroughly scrutinise it all and become sort of expert, as it were. It’s just because the demands of the job are so wide and varied, **there isn’t always the time to get up to speed** with these things.”*

Arm’s-Length Body / ‘Other’ Public Authority

A handful of Public Authorities had to create capacity to do the Principles Assessment. Although this was possible, it meant that time was taken from other activities.

A few Public Authorities acknowledged that doing the Principles Assessment for the first time was a lot more challenging than subsequent assessments. The process became easier once they were more familiar with the Guidance and requirements.

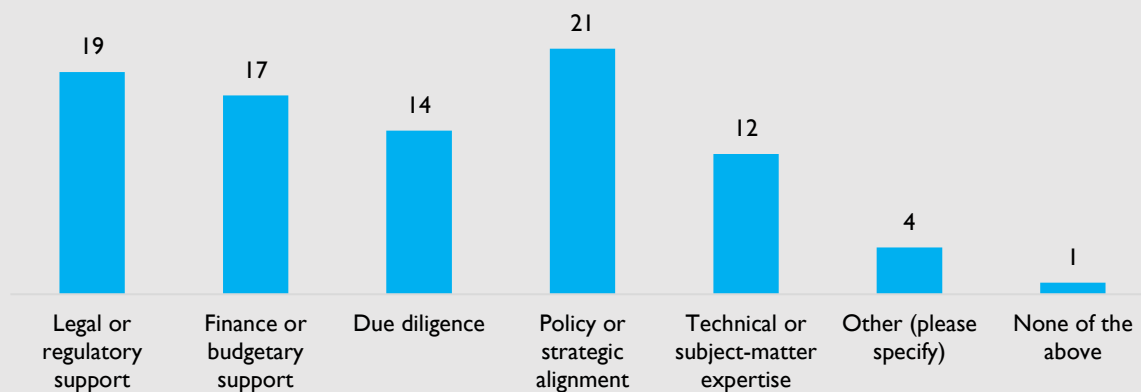
*“I would say when we started at the beginning, we found it fairly difficult [to undertake the Principles Assessment]. However, as we’ve applied our knowledge and understanding, as we’ve moved through the delivery of this project, **we’ve upskilled ourselves** and we’ve developed our knowledge, which, **if I was to go into another project now, I would say that I would probably find it fairly easy.**”*

Local Authority

Those who had internal legal teams mostly felt confident completing the Principles Assessment

Most of the participants from Public Authorities who reported having internal legal teams felt confident that they had the capacity and resources to complete the assessment. In the extension fieldwork, 19/25 reported having access to legal or regulatory support within the organisation. Of this group, only 3/19 indicated they did not have the capacity needed to self-assess and comply with the Subsidy Control Regime, while 4/19 felt they did not have the resources. Of the Authorities who reported that they didn’t have the resources, one had already decided the subsidy would be MFA, and the others explained that, as they did not have a dedicated subsidy control team member, they had had to create resource. For example, at one Local Authority, a team member had felt obliged to spend a weekend completing the assessment.

Number of participants that reported they had different sources of support available to them from within the Authority itself when designing the subsidy / subsidy scheme



Note: this question was added to the survey in the extension to determine the types of internal support that Authorities find most useful in the subsidy design process.

Q [EXTENSION]: "In designing the [subsidy / subsidy scheme], which of the following types of support were available within the Authority, even if the Authority did not use them in this instance?" Base n=25

Public Authorities' internal legal teams often provided guidance on compliance with Subsidy Control, with some teams describing 'heavily relying' on the legal team for interpretation and guidance.

"We certainly needed the guidance of our legal team and [Government department] and we wouldn't have had the technical knowledge, I don't believe, in my team to do it correctly without that."

Local Authority

"So, we are quite lucky in [UK Government department / Devolved Government] by having quite good access to lawyers to get legal advice on what we need to do."

UK Government department / Devolved Government

Several Public Authorities reported they did not have access to in-house support on Subsidy Control, for example, where their legal team had no expertise. For example, one Public Authority described having no dedicated in-house support for Subsidy Control, so when the individual who had experience of Subsidy Control left the team, this was not replaced and they were left with no in-house expertise.

"Our in-house legal team had one person who was familiar with Subsidy Control. She has since left. So... we have no dedicated capacity."

Local Authority

Public Authorities often mentioned support from finance and policy teams in completing the assessments.

*“[The Principles Assessment] will **all be going through the finance team**... it will be finance / economists that I will go to get advice”*

UK Government department / Devolved Government

*“[The subsidy side of things] has **usually been taken up by the policy individual responsible for each of the schemes**. I also oversee the delivery of another scheme, but again, it has a separate policy individual who I can feed information to and work with, and they usually are responsible for the actual subsidy work and registering on the Database.”*

UK Government department / Devolved Government

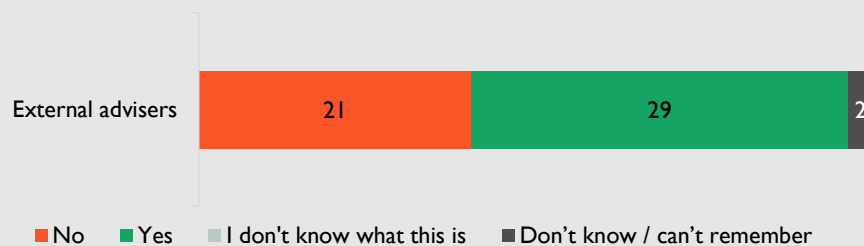
Use of external guidance and support

29/52 participants from Public Authorities drew on support from external sources

29 out of the 52 participants reported receiving support from external sources.

Note that this does not include support from the DBT Subsidy Control team or a Devolved Government subsidy control team, which was asked about separately.

Number of participants that reported having drawn on support from external advisers in the design of the subsidy / subsidy scheme

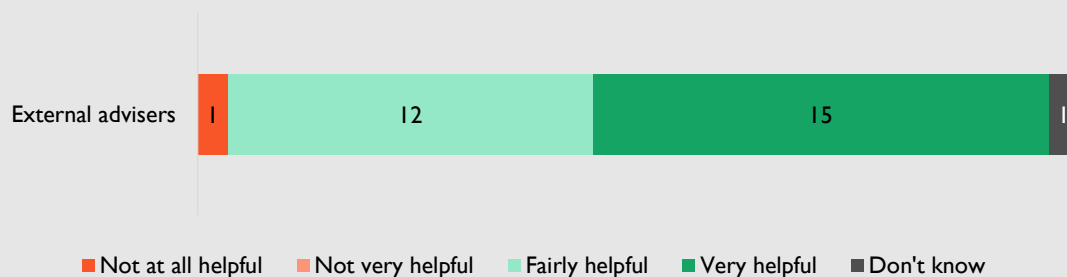


Q: “In designing [the subsidy/scheme] which of the following sources of advice, guidance, or support, if any, did the Authority draw upon? External advisers.” Base n=52

Most often, Public Authorities said they had received support from an advisory legal firm, though several also mentioned external economist support. In a few cases, Authorities referred to receiving external support from other government or Public Authority collaborators, or from beneficiaries of the subsidy.

A large majority of participants that had used external advisers reported finding them helpful.

How helpful participants that had used external advisers reported finding them



Q: "How helpful, if at all, did you find those sources of advice, guidance, or support? External advisers." Asked to those that had used the source. Base n=29

Public Authorities often sought external legal advice when internal legal teams were unable to offer support

Public Authorities described opting for external legal support when they needed more technical guidance or there were challenges with internal capacity, meaning internal legal teams were unable to support.

*"Well, we spoke to our legal team, who were like, 'No, we don't do anything to do with [subsidiaries]'. And they said that **they suggested we speak to an external legal team who provided the initial letter – [we] paid a lot of money for it.** And we didn't do the Principles Assessment prior to our application [for funding]; we were told we could do that once we were successful."*

Local Authority

*"We work with external solicitors as well on some, you know, really technical kinds of projects **where we need more advice or we don't have capacity** to look at them ourselves."*

Arm's-Length Body / 'Other' Public Authority

External legal teams' roles varied but included:

- Providing reassurance and interpreting guidance for their sector
- Providing tailored templates for writing Principles Assessments
- Writing the Principles Assessment
- Fielding the PA team's questions
- Providing Subsidy Control training sessions to internal Public Authority teams

*"For us, **the [external] legal team actually did the assessment against principles...** but left some decisions for us to make the final call on."*

Local Authority

This was consistent across different types of Public Authority.

In a few cases, Public Authorities were concerned that their own lack of confidence in conducting the Principles Assessment had caused them to spend money on lawyers.

*“If the lawyers in-house don't know, then we might go to external lawyers, which costs a lot of money, which sort of **defeats the object of the whole Subsidy Regime** trying to save money in the first place.”*

Local Authority

Some Authorities indicated a wider concern about Public Authorities' expenditure on external legal support.

*“At the moment, **there are a small group of lawyers making a hell of a lot of money because nobody really has the confidence** in knowing what they're doing. The more the Local Authorities can be trained and get confidence in themselves, the less that will happen and the less they'll rely on central government to have to solve the problems for them.”*

UK Government department / Devolved Government

The amount of money that Public Authorities mentioned spending on legal advice varied from one Public Authority describing paying £30,000 for advice to another describing spending between £500 and £1,000 for a training session and a few free follow-up hours.

*“It was **£30 grand, or something**, wasn't it? For the original advice”*

Local Authority

24 of the 52 participants from Public Authorities reported getting support from a subsidy control team from a Devolved Government or the DBT

24/52 Public Authorities reported they had received support from the DBT Subsidy Control team or a Devolved Government subsidy control team, which includes four Public Authorities who received support from both. This broke down into 13/52 receiving support from the DBT Subsidy Control team, and 15/52 receiving support from a Devolved Government subsidy control team.

Number of Authorities that reported having received support from the DBT Subsidy Control team in the design of the subsidy / subsidy scheme



Q: “In designing [the subsidy/scheme] which of the following sources of advice, guidance, or support, if any, did the Authority draw upon? The DBT subsidy advice team.” Base n=52

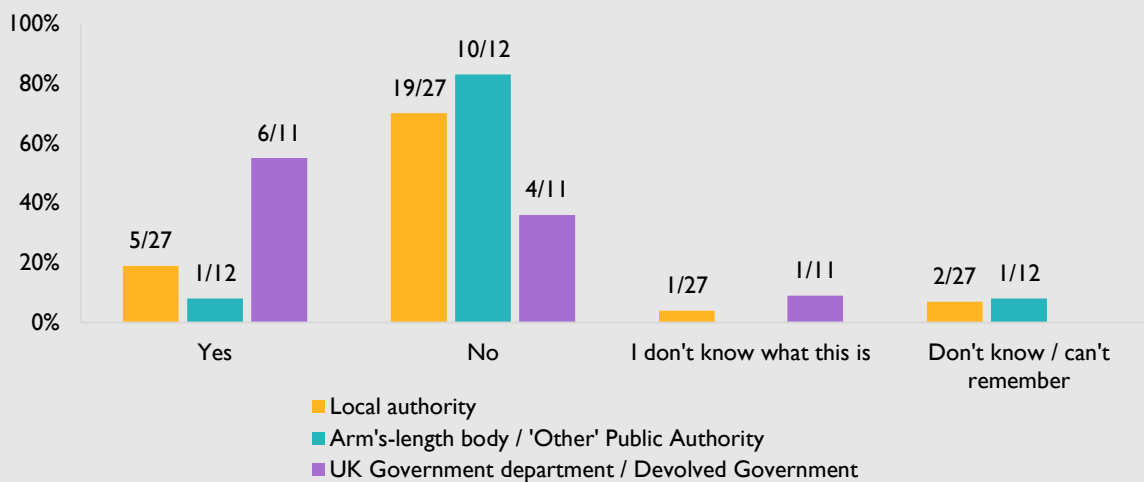
Number of Authorities that reported having received support from subsidy control team(s) from a Devolved Government in the design of the subsidy / subsidy scheme



Q: "In designing [the subsidy/scheme] which of the following sources of advice, guidance, or support, if any, did the Authority draw upon? A Devolved Government subsidy advice team." Base n=52

It should be noted that, of the Authorities interviewed, a higher proportion of UK Government departments / Devolved Governments (6/11) reported they had accessed support from the DBT Subsidy Control team, compared with Arms-Length Bodies / 'Other' Public Authorities (1/12) and Local Authorities (5/27). There were few differences in the proportion of Government departments / Devolved Governments, Arms-Length Bodies / 'Other' Public Authorities, and Local Authorities, reporting receiving support from a Devolved Government subsidy control team.

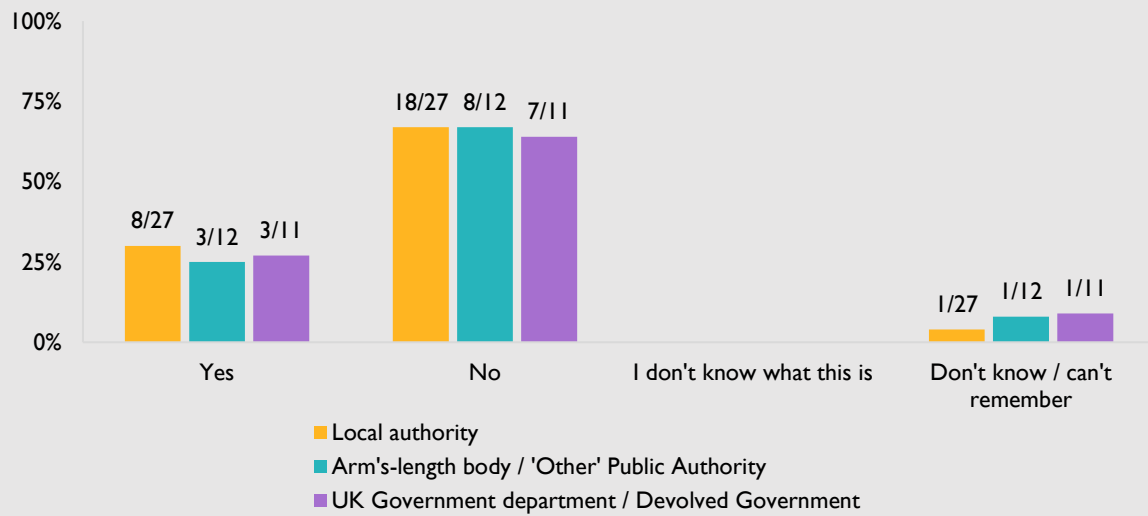
Number of interviewed Authorities that reported having received support from the DBT Subsidy Control team in the design of the subsidy / subsidy scheme, by type of Authority



Q: "In designing [the subsidy/scheme] which of the following sources of advice, guidance, or support, if any, did the Authority draw upon? The DBT subsidy advice team." By type of Public Authority. Base of Local Authority n=27, Arm's-Length Body / 'Other' Public Authority n=12, UK Government department / Devolved Government n=11

Two participants completed the survey but were not interviewed and did not provide data on their Authority type. They have not been included in this analysis.

Number of interviewed Authorities that reported having received support from a Devolved Government subsidy control team in the design of the subsidy / subsidy scheme, by type of Authority



Q: "In designing [the subsidy/scheme] which of the following sources of advice, guidance, or support, if any, did the Authority draw upon? A Devolved Government Subsidy." By type of Public Authority. Base of Local Authority n=27, Arm's-Length Body / 'Other' Public Authority n=12, UK Government department / Devolved Government n=11

When looking at differences by nation, a greater proportion of Public Authorities from the devolved nations who took part in the research (14/23) reported they had received support from a subsidy control team in the DBT or a Devolved Government, when compared with English / UK-wide Authorities (9/27).

Public Authorities reported receiving a range of different types of support from the different subsidy control teams. This included support with:

- Clarification as to whether their policy was a subsidy or not
- Uploading to the Subsidy Database
- Conversations about how to approach more 'complex' subsidies
- Fully writing the Principles Assessment
- Providing advice and guidance
- Providing templates

*"We've just been working closely and taking advice and guidance from the [subsidy control team] within the [Devolved Government]. So, **they are very much our advisor**. They've done an **awareness session** with us, and we've got another one planned for May where they will come down, talk to staff, and provide general awareness, but also **programme-specific clinic sessions** where people can ask questions about it. They also host **monthly network meetings** that I am involved with; they're providing us with updates and guidance on that and just rolling out information as they get it."*

Arm's-Length Body / 'Other' Public Authority

*“We’ve attended some of [the Devolved Government subsidy control team’s] training sessions as well... proofing if you've got subsidy assessments, etc. looking over that; I think **they have also offered to upload information to the Subsidy Databases**, that type of thing.”*

Local Authority

*“**The guidance [the Devolved Government subsidy control team] gave was very clear** and it was linked to all the documentation. The head of our [subsidy control team] is just, ‘The devil in the detail’, so he had read up on everything, checked everything, and we were very confident it was compliant.”*

Arm’s-Length Body / ‘Other’ Public Authority

*“We [and another Public Authority] were both making the same subsidy to the same [beneficiary], and added together, that would have been over £10 million, which means it would have to have been referred to the CMA even though separately we were under [the threshold]. But **we had extensive conversations with the [DBT / Devolved Government subsidy control team], and they said we could treat them as separate subsidies and do it separately**. And that seemed to be conflicting advice to what other Local Authorities had heard nationally.”*

Local Authority

Four Public Authorities had accessed support from *both* the DBT Subsidy Control team and a Devolved Government subsidy control team. Two of these Public Authorities reported receiving more practical support from the Devolved Government subsidy control team, including training sessions.

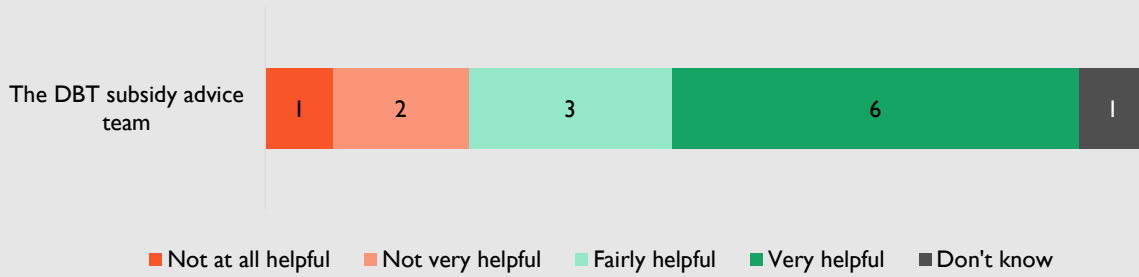
One Public Authority sought advice from a Devolved Government subsidy control team because it felt the DBT Subsidy Control team had not provided definitive enough guidance.

*“I spent a lot of time with our devolved subsidy team trying to come up with positions that was kind of filling a vacuum from DBT... I'd say sort of a large portion of [decision-making] came from **policy team intuition rather than clear steers from that DBT team**.”*

UK Government department / Devolved Government

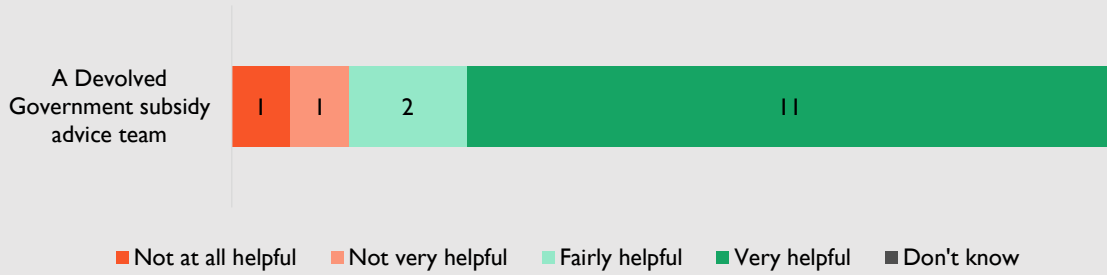
Of those who did receive support from the DBT’s Subsidy Control team, the majority (9/13) reported finding them ‘fairly’ or ‘very’ helpful. Most (13/15) of those who had received support from a Devolved Government subsidy control team also reported finding the support helpful.

How helpful participants that had used the DBT Subsidy Control team reported finding them



Q: "How helpful, if at all, did you find those sources of advice, guidance, or support? The DBT subsidy advice team." Asked to those that had used the source. Base n=13

How helpful Authorities that had used a Devolved Government subsidy control team reported finding them



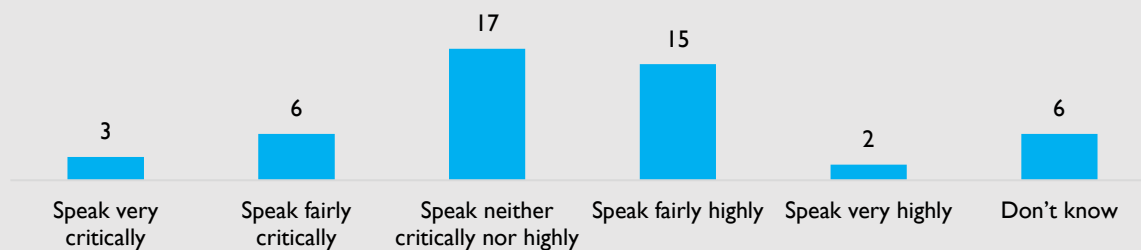
Q: "How helpful, if at all, did you find those sources of advice, guidance, or support? A Devolved Government subsidy advice team." Asked to those that had used the source. Base n=15

The Subsidy Database and transparency measures

Overall, attitudes towards the Subsidy Database were mixed

For those who were familiar with the Subsidy Database, the way they indicated they would speak about the Database, if asked, was mixed. While 17/49 indicated they would speak 'very' or 'fairly' highly, the same number (17/49) said they would speak neither critically nor highly. A smaller group (9/49) said they would speak critically (either 'very' or 'fairly').

How participants who were familiar with the Subsidy Database indicated they would speak about it, if asked



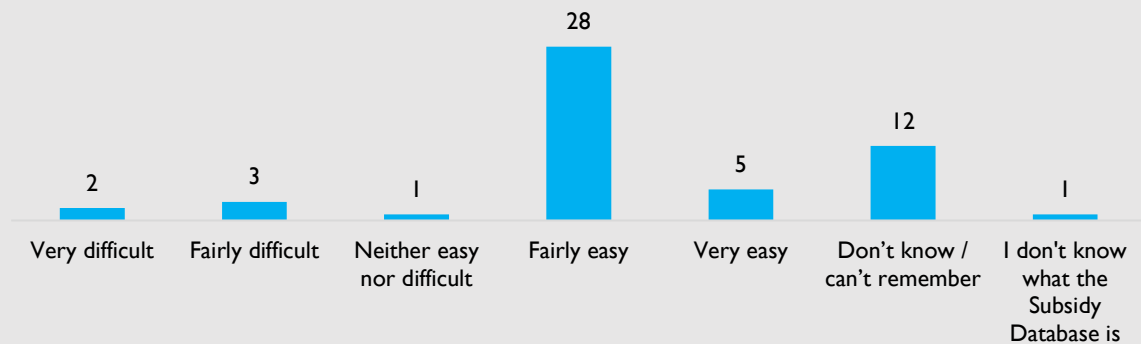
Q: "Thinking about each of the following, which of these phrases, if any, best describes the way you would speak about it, if asked: The DBT's Subsidy Database (also referred to as the Transparency Database)." Asked to those that indicated they knew 'not very much', 'a fair amount', or 'a great deal' about it in a previous question. Base n=49

Engagement with the Subsidy Database

The majority of Public Authorities found it easy to upload information to the Subsidy Database but difficult to find information

33/52 participants from Public Authorities reported finding it easy ('fairly easy' or 'very easy') to upload information onto the Subsidy Database.

How easy or difficult participants found it to upload information onto the Subsidy Database



Q: "Thinking about the Subsidy Database, how easy or difficult do you and your colleagues find it to upload information onto the database?" Base n=52

A few Public Authorities found there was more information to input when uploading to the Subsidy Database than they had expected.

*"The questions that the website asks you when you're uploading your subsidy, **they don't relate** to the different limbs of the legal test and the Principles Assessment that you have to consider as part of your assessment of the Subsidy Control Act. The questions don't mirror, the wording doesn't mirror, so **it's really hard to identify what it's actually asking you to put in those boxes.**"*

Local Authority

Many Public Authorities in the sample reported that one of the key team members involved in the Principles Assessment was also responsible for uploading to the Database. In most cases, only a small number of staff – typically within the Authority's legal team – had the accounts and permissions needed to complete the upload. As a result, not all interview participants had direct experience of uploading to the Subsidy Database.

*"When I found it and found the right person who had a login, it was fairly easy [to upload], but **getting to that point was quite hard**. So, I'd say fairly easy because there wasn't much information [to input when uploading]."*

Local Authority

A small group of Public Authorities in the devolved nations reported that their subsidy control team coordinated all uploads to the Database.

*"**We really pass all our information to the [subsidy control team] in the [Devolved Government department] here, and they put it onto the Database**, so we don't really have many dealings with the Database."*

Local Authority

“Typically, our practice is we don't [upload to the Database] ourselves, although we have a registration on the Database and we can upload and change records. **The rule of thumb is that we would go through the [Devolved Government subsidy control team] to do that, so we would contact them.**”

Local Authority

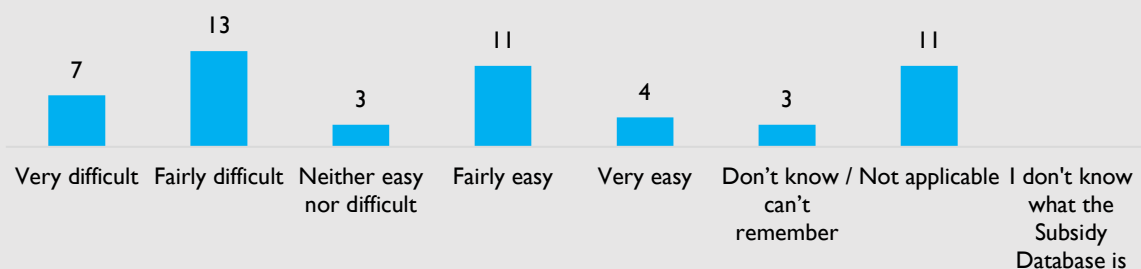
At least one Public Authority faced difficulties registering for an account to be able to upload their entry.

Many Public Authorities found it difficult to search the Database

Most Public Authorities said they had either never searched the Subsidy Database or had only done so once or twice. Among those who had used it, the main reasons were to check whether their own subsidy or scheme had been uploaded correctly, to see other subsidies awarded within their Authority, to look at examples from their policy area that might inform their own processes, or simply out of curiosity about what was being funded locally.

In the survey, 20/52 said it was ‘very difficult’ or ‘fairly difficult’ to find information on other subsidies or schemes in the Database, while 15/52 said it was ‘fairly easy’ or ‘very easy’.

How easy or difficult participants found it to find information on other subsidies/subsidy schemes using the Subsidy Database



Q: “Thinking about the Subsidy Database, how easy or difficult do you and your colleagues find it to find information on other subsidies/subsidy schemes?” Base n=52

Many Public Authorities reported that it was relatively difficult to find information due to the limited search and filtering functionality.

“I would say [finding information on other subsidies/subsidy schemes is] very difficult. I mean, I really wanted to know who else had done something similar. And **it was nigh on impossible to figure out what to look at.**”

Arm’s-Length Body / ‘Other’ Public Authority

*“To be honest, there are some times where I struggle to find our own schemes, much less another award. I think **it's sometimes not a very intuitive system**. Certainly, in the early days, if you were searching for a Local Authority, when you looked in the drop-down menu they weren't even listed alphabetically.”*

Local Authority

One Public Authority said their team downloaded the full Database into Excel to search it, as they found this easier than using the online system.

*“With experience you can find information more quickly, but very often the way we find information on different schemes is to actually **download an Excel spreadsheet of everything** and then to look through that Excel spreadsheet until we find the scheme, the scheme number, and then go back again and then search on the scheme reference number.”*

UK Government department / Devolved Government

Several Public Authorities said they were unable to find their own entries or other awards they knew existed, even after multiple attempts. Problems were linked to the search function, which was described as limited and requiring very specific information to return results.

*“I don't like [the Subsidy Database]. **It's really difficult to search. Things that I know are on there, you can't find**. The search function is terrible. The major problem with it is you can't search by the name of the organisation that has awarded the subsidy.”*

Local Authority

*“I was **searching for another subsidy** that had been awarded to an organisation that we were awarding to, but I couldn't find it... when I was searching just on the Database across different inputting names and things like that... **I couldn't find it.**”*

Arm's-Length Body / 'Other' Public Authority

*“**I couldn't find [our subsidies]** on the Subsidy Control Database... If we can't find them, then who can?”*

UK Government department / Devolved Government

*“I have to say I have had trouble with it in the past. **I think you have to be very specific in what kind of, how you search for things...** I would say it's fairly difficult. Sometimes I think you really need to know what you're looking for and know whether it's a scheme or an award as you go into it.”*

UK Government department / Devolved Government

The 30-day challenge window was often seen as beneficially short

The majority of Public Authorities had not received any enquiries or challenges linked to subsidies or schemes published on the Subsidy Database.

One Public Authority had received an inquiry for information, and two had been challenged, but these were resolved without progressing to the Competition Appeal Tribunal.

A handful of Public Authorities reflected that the difficulties of searching the Database limited its effectiveness as a transparency tool. They questioned whether organisations could realistically use it to identify and challenge funding decisions.

*“You have to be willing to navigate your way around the Database... and unless you know all of that, **you wouldn't even know what you're supposed to be challenging.**”*

Arm's-Length Body / 'Other' Public Authority

The 30-day window for challenges was often described as short, but many Public Authorities felt this was beneficial. They said it reduced the ongoing risk of challenge and gave them the confidence to proceed with funding and policy delivery once the period had passed.

*“[It's useful for] establishing within our own organisation what the level of risk was, the likelihood of somebody making a challenge and the likelihood of them making a successful challenge. I think [the window] is fairly short, but I think **it's helpful to us as Local Authority, because after thirty days we can stop worrying about it.**”*

Local Authority

*“The concept of having it on the Database for a month and then any kind of contest or people who want to appeal it have got, is it 30 days in which to do that? That's **very beneficial to organisations** in the sense that it's a very defined period of time, and **once that period is over, then you can get on and deliver your programme.**”*

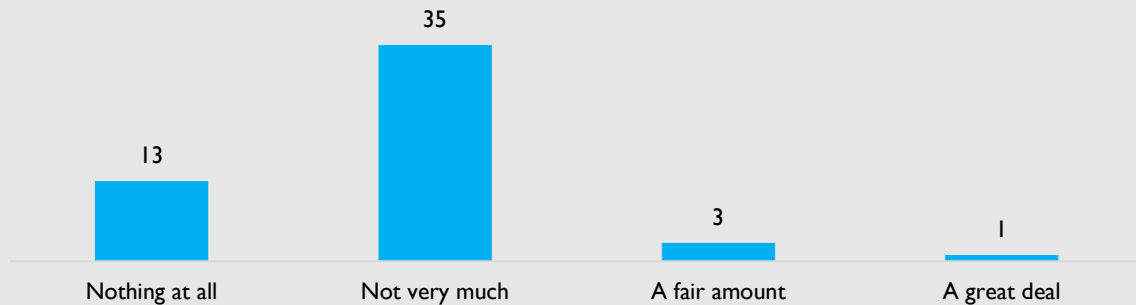
Local Authority

The Competition Appeal Tribunal

Public Authorities often reported a limited understanding of the CAT, with most having neutral views on the CAT as a result

While there was general awareness of the Competition Appeal Tribunal (CAT), very few participants from Public Authorities felt they knew much about the appeal system or what it involved. 35/52 participants reported that they knew 'not very much' about the CAT, with a further 13/52 saying they knew 'nothing at all'.

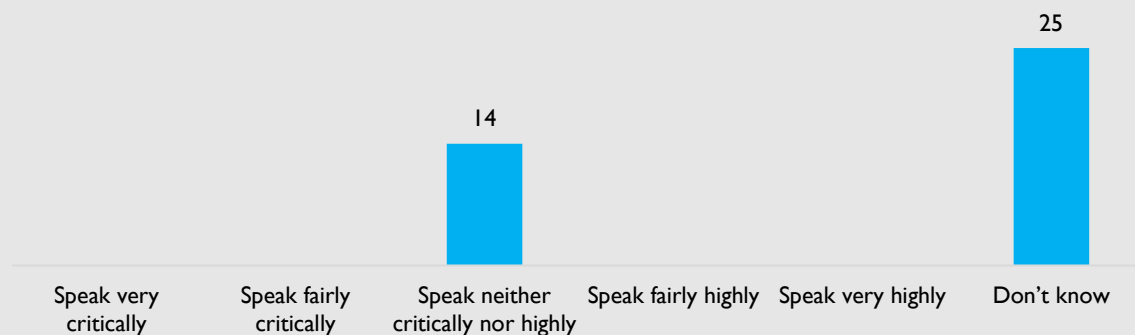
How much participants reported knowing about the Competition Appeal Tribunal (CAT)



Q: "How much, if anything, would you say you personally know about each of the following: The Competition Appeal Tribunal (CAT)." Base n=52

Of the 39 participants who felt they knew something about the Competition Appeal Tribunal, 14 reported that they would speak 'neither critically nor highly' about it, while the remaining 25/39 said they 'don't know'.

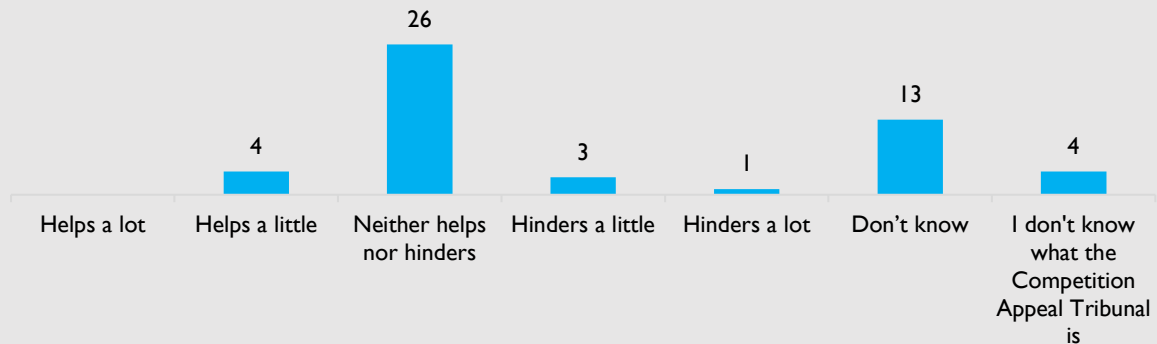
How participants who were familiar with the Competition Appeal Tribunal (CAT) indicated they would speak about it, if asked



Q: "Thinking about each of the following, which of these phrases, if any, best describes the way you would speak about it, if asked: The Competition Appeal Tribunal (CAT)." Asked to those that indicated they knew 'not very much', 'a fair amount', or 'a great deal' about it in a previous question. Base n=39

This neutrality was broadly reflected in how most Public Authorities went on to describe the minimal impact it has on their decision-making when designing a subsidy or scheme. 26/51 of participants from Public Authorities said it 'neither helps nor hinders' them when considering whether to give subsidies or make schemes. 13/51 reported that they 'don't know' whether it helps or hinders.

Number of participants that felt the Competition Appeal Tribunal helps or hinders them when considering whether to give subsidies / make subsidy schemes



Q: "On balance, does the Competition Appeal Tribunal's existence and role in the Subsidy Control Regime help or hinder your Authority's decision-making when considering whether to give subsidies/make subsidy schemes?" One participant who completed the survey outside of an interview did not answer this question. Base n=51

"It's simply there as the backstop if it all goes wrong. So it's not anything that's affected our decision-making process."

UK Government department / Devolved Government

"I mean, **their existence and what they do would not have an effect**, good or bad, on how we assess the subsidies."

Local Authority

"I'm going to say I don't know [whether it helps or hinders] because **I didn't know it was there.**"

Local Authority

A few Public Authorities were conscious of the risk of challenge and linked this to the possibility of cases reaching the Competition Appeal Tribunal. They suggested this risk could have an indirect influence on their decision-making.

"The existence of the fact that it could be appealed and go to a tribunal, **it definitely does have an impact.**"

Local Authority

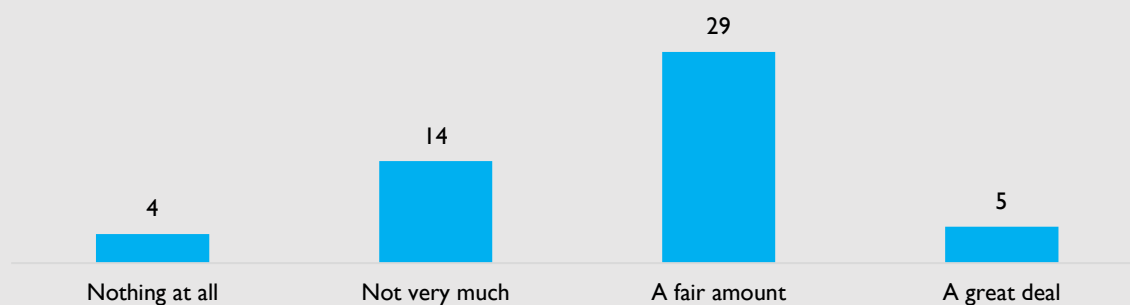
Influence and experiences of the SAU

Awareness and understanding of the SAU

The majority of Public Authorities were aware of the SAU

34/52 of participants said they knew a 'fair amount' or a 'great deal' about the SAU.

How much participants reported knowing about the Subsidy Advice Unit (SAU)



Q: "How much, if anything, would you say you personally know about each of the following: Subsidy Advice Unit (SAU)." Base n=52

However, in qualitative interviews it became clear that this knowledge was often limited to awareness of the SAU's existence and the fact that some subsidies or schemes must be referred.

A small group of those who had not engaged with the SAU expressed uncertainty about what the SAU actually did. Many understood that it became involved for subsidies over £10 million,¹⁰ but those without referral experience were unclear on what this involvement entailed.

*"I don't know [very much about the SAU]. We didn't have cause to go to them... We probably felt **they were for larger stuff than we were doing.**"*

Local Authority

The SAU was often described as "ensuring compliance," though Public Authorities could not always explain how. A few were unsure whether they could approach the SAU for advice, while a minority felt they could. Not everyone was clear whether the SAU's input should be regarded as binding or as guidance.

¹⁰ Since 4 August 2025, the threshold has been £25 million.

*“[The SAU] are not there to advise on our decision-making and whether we think something is a subsidy or not, but **I'd like to think they're there to provide advice on process on technical matters** and ensure that Local Authorities are approaching Subsidy Control in a correct way... I'm not sure exactly what their role is if you're submitting a proposal of special interest or of interest, or if they can reject it. I think they can pass comment on it, but **I'm not sure where their remit sits in terms of passing comment.**”*

Local Authority

*“I'm not sure that we have any direct engagement with them. So, to me, their role is really to just **distribute the Guidance, make sure everyone is aware of their compliance requirements and track the reporting.**”*

Local Authority

*“What I would say is that because they investigate certain subsidies and schemes and provide a report on them **that's actually non-binding, I would question what the impact of that is.**”*

UK Government department / Devolved Government

*“Really, it's **about the protection of the public [funding]**, isn't it, and that it's distributed appropriately.”*

Local Authority

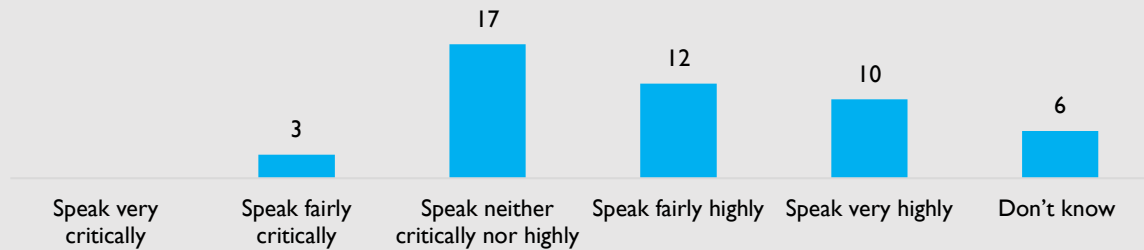
Unsurprisingly, Public Authorities that had made a referral usually had a clearer understanding of the SAU's role.

*“It's to **review the Principles Assessment** and the proposed subsidy and to comment on how well we have undertaken our assessment and **whether that assessment is following the Statutory Guidance** and the principles and basically following the Regime. But it's not to comment on the merits or otherwise of the project. It's really just looking at **have we done our job properly in justifying that subsidy.**”*

Local Authority

When asked how they would speak about it, if asked, 17/48 of participants who were familiar with the SAU said they would speak 'neither critically nor highly' about it. A further 6/48 of participants said they did not know how they would describe it ('don't know'), while 22/48 said they would speak highly of it.

How participants who were familiar with the Subsidy Advice Unit (SAU) indicated they would speak about it, if asked



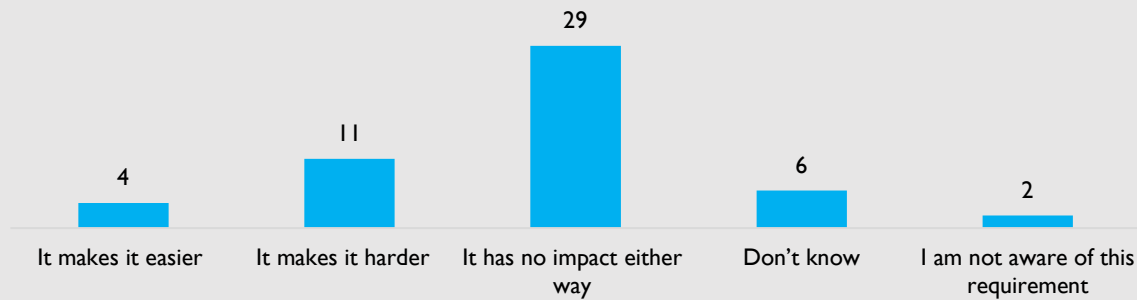
Q: "Thinking about each of the following, which of these phrases, if any, best describes the way you would speak about it, if asked: The Subsidy Advice Unit (SAU)." Asked to those that indicated they knew 'not very much', 'a fair amount', or 'a great deal' about it in a previous question. Base n=48

Impact of the SAU on decision-making

The requirement to refer to the SAU had minimal impact on decision-making around subsidy awarding

Most participants from Public Authorities said the requirement to refer subsidies to the SAU did not affect their ability to design and deliver subsidies that deliver benefits while mitigating negative impacts, with 29/52 reporting it had 'no impact either way'. In practice, decisions on policy and spending were made first, and if a referral was needed, this was treated as a procedural step.

Reported impact of the Act's requirement for some subsidies to be referred to the SAU on Authorities when designing and delivering subsidies that bring benefits while mitigating negative impacts



Note: The wording of this question was revised between the pilot and extension phases to improve clarity, following feedback from the pilot that it was difficult to understand.

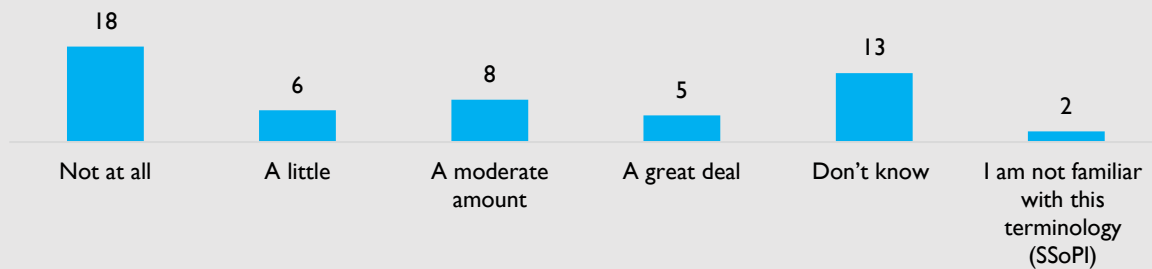
Q [PILOT]: “On balance, what impact, if any, does the Act’s requirement for some subsidies to be referred to the SAU have on your Authority’s ability to design and deliver subsidies that simultaneously bring strong benefits and mitigate negative impacts on competition and investment?”

Q [EXTENSION]: “The Act requires some subsidies to be referred to the SAU. On balance, what impact, if any, does this requirement have on your Authority’s ability to design and deliver subsidies that simultaneously bring strong benefits and mitigate negative impacts on competition and investment?”

Data from both the pilot and the extension has been merged. Base across both n=52

In relation to considering whether to award SSoPIs, 18/52 said the SAU had no influence at all on their decision to award. However, 13/52 participants reported that the SAU does influence decisions either ‘a moderate amount’ or ‘a great deal’.

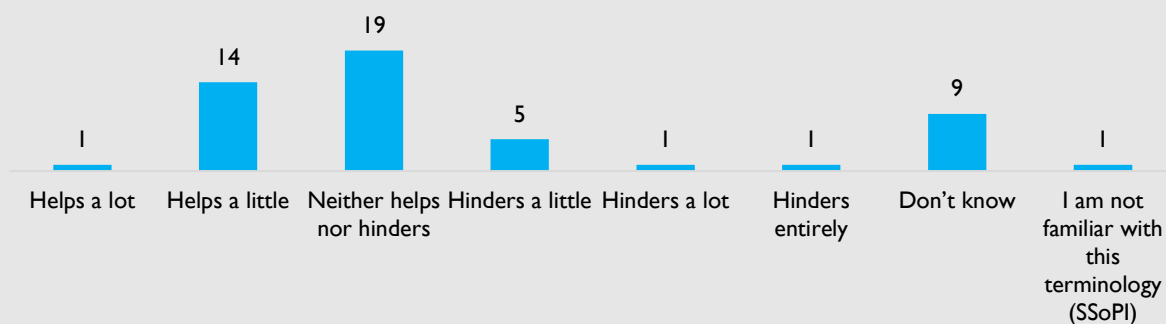
Extent to which participants felt the SAU has an influence on them when considering whether to award subsidies that could be a Subsidy or Scheme of Particular Interest (SSoPI)



Q: "How much, if at all, does the SAU's existence and role in the Subsidy Control Regime have an influence on your Authority's decision-making when considering whether to award subsidies that could be a Subsidy or Scheme of Particular Interest (SSoPI)?"
Base n=52

Similarly, 19/51 participants said the SAU 'neither helped nor hindered' their approach when designing or awarding SSoPIs.

Number of participants that felt the SAU helps or hinders them when designing or awarding Subsidies or Schemes of Particular Interest (SSoPIs)



Note: The wording of this question was revised between the pilot and extension phases to improve clarity, following feedback from the pilot that it was difficult to understand.

Q [PILOT]: "And on balance, does the SAU's existence and role in the Subsidy Control Regime help or hinder the design and award of subsidies and subsidy schemes that might be a Subsidy or Scheme of Particular Interest (SSoPI)?"

Q [EXTENSION]: "What influence does the SAU's existence and role in the Subsidy Control Regime have on your Authority's decision-making when considering whether to award subsidies that could be an SSoPI?"

Data from both the pilot and the extension have been merged. One participant who completed the survey outside of an interview did not answer this question. Base across both n=51

Interviews reflected this pattern. A small group of Public Authorities noted that they did not expect to ever award SSoPIs, so the existence of the SAU was not seen as relevant to their work.

“Our schemes tend to be smaller, so ... we're not likely to need [the SAU].”

Local Authority

“I don't think [the SAU] has had any impact because we don't hit the £5 million limit.”

Local Authority

Several Public Authorities expected to award SSoPIs but said the requirement to refer did not prevent them from doing so.

“I think [the SAU] neither helps nor hinders [the Authority]. I think if we were developing a scheme of the size that needed SAU input, we would be doing it anyway; I don't think [its existence] would stop us.”

Local Authority

Across the sample, a minority of participants from Public Authorities reported the requirements helped in designing subsidies

15/51 participants said the requirement to refer either helps ‘a little’ or ‘a lot’.

“I can't see why it would not make it easier. Why would you not refer something and have that dialogue with the SAU? Yeah, because it all goes towards eliminating the risk, as far as we can, of challenge. So, I mean, that's my personal view. We've never actually been in that situation, not yet, but I would have said it would've made it easier, more useful.”

Local Authority

8/13 participants from Authorities who had made referrals reported that the requirement to refer helped in the design and award of SSoPIs. For these organisations, the referral requirement was seen as a safety net, lending legitimacy to decisions and providing reassurance against the risk of future challenge.

“We had to self-refer and from our perspective we needed to do it, and we needed to provide assurance to the department who was funding us... So, whenever we got a positive report from the CMA that gave the department the reassurance that they needed that the subsidy that they were providing to us and ultimately, we were providing to [the beneficiary], was in accordance with the principles.”

Local Authority

A small proportion of participants from Public Authorities felt the requirement to refer made awarding subsidies harder

7/51¹¹ participants said the requirement to refer made awarding subsidies harder – either hinders ‘a little’, ‘a lot’ or ‘entirely’.

Almost all of the seven Public Authorities who had referred to the SAU highlighted the time required to complete a referral. The process was seen as lengthy and labour-intensive, creating particular challenges at the end of the financial year or when policy delivery had tight timescales.

*“So if, say, Autumn budgets [are announced] in October or November, with the SAU timelines to get a grant signed by March, by end of the financial year, you’d have to submit the SAU reports about a fortnight after you knew that something was going to happen. Which means... **there’s just no time to do the work.** And I think **a number of times we’ve sketched this out... and told ourselves, ‘No, we can’t bid for this.’”***

UK Government department / Devolved Government

*“[There is] a minimum of four to six weeks for this pre-referral period now – and our advice had been it's better to go through the pre-referral period than not. But it takes another six weeks, seven weeks to do the advice. So, **you just added another four to six weeks on. It's too long.**”*

Arm’s-Length Body / ‘Other’ Public Authority

*“**It can really, really slow stuff down** when, it can be urgent. There are things that we've told people we can't do because of the Subsidy Control Regime. There are people who said, 'Could we invest in this thing urgently?' And we've said, **‘At this time in the financial year, no, we can't.’**”*

UK Government department / Devolved Government

A few Public Authorities reported that the need to refer SSoPIs created additional bureaucracy and hesitation at senior levels, particularly when final reports were made public.

*“It does cause a bit of a panic; it **provokes hesitancy.** Across all senior leaders and decision-makers in the [Public Authority] it is seen as a hindrance... it’s just **fear of the unknown** again.”*

Arm’s-Length Body / ‘Other’ Public Authority

*“We knew it would be made public, and we were aware that **there's a reputational risk of getting a negative report.** We didn't want that.”*

Local Authority

¹¹ Note: one participant who completed the survey outside of an interview did not answer this question.

In a few instances, Public Authorities felt the requirements to refer SSoPIs impacted their or their colleagues' decision-making

2/7 participants from Public Authorities who felt the requirement to refer hindered them said that, as a result, they or their colleagues had decided not to design or award SSoPIs.

*"We couldn't engage a private company on that because the opportunity was live for maybe 8 to 10 weeks. **By the time we'd have gone through [the SAU referral process], another country would have had that and basically had it in the bag...** it's just a process in timelines, so somebody comes along, and in that example, the subsidy was just over the new referral limit. So... we had to re-engineer the approach."*

UK Government department / Devolved Government

Referral experiences

13 Public Authorities in this research had referred a subsidy or subsidy scheme to the SAU. These included Local Authorities, UK Government departments / Devolved Governments, and Arm's-Length Bodies.

The referral process was described as 'stressful' by some Public Authorities, but many found the feedback valuable

Many Public Authorities found the input and feedback from the SAU useful, and most understood referrals to be required because of the value of the subsidy.

Among the 13 Public Authorities that had referred to the SAU, most described their experience as a "one-off" linked to a single large subsidy – their first and expected last.

A minority had made regular referrals and expected to continue doing so.

Quality of feedback from the SAU

Many participants described the feedback from the SAU as helpful

Feedback through informal pre-meetings and formal reports was seen as constructive, pointing out gaps and helping to improve Principles Assessments. Several said it provided reassurance.

*"It **gives us reassurance** that we're looking at the right elements when we're doing the subsidy assessments... and are **confident going forward** that we can make the process smoother."*

Local Authority

*"Obviously, we were pleased that [the SAU feedback] was positive, and I think **it reinforced our belief in the project** as well as the credibility of it."*

Local Authority

The feedback was particularly valued where the policy area was complex, the subsidy was unusual, or the sums involved were large. One Public Authority reported contacting the SAU with questions on "grey areas".

“I would probably encourage my colleagues to use the Subsidy Advice Unit if there are any grey areas that they're not sure about; I would probably encourage them to contact the SAU and have those conversations and understand that they're not there just for these larger subsidies and they are there to kind of check these grey areas.”

Local Authority

Engagement and ways of working

Many Public Authorities described the referral process as time-consuming and ‘stressful’, particularly those going through it for the first time. Public Authorities noted the amount of work involved, the pressure of a formal, published report, and the fact that those completing it were not subsidy experts.

However, overall, most Public Authorities were positive about working with SAU teams.

Pre-referral discussions were widely seen as positive and useful

Most Public Authorities valued the collaborative tone, the chance to ask questions, and the informal feedback provided.

“What was incredibly helpful was having the pre-referral discussions with SAU where they gave feedback on the draft assessments. That was incredibly, incredibly helpful.”

UK Government department / Devolved Government

“Their ability to give you some pointers before you get into the formal submission made such a difference. And the pre-meeting was only probably an hour long, max. It was really short, but very punchy in terms of what we needed to address.”

Local Authority

“Preliminary engagement with the SAU during the process and after the process was generally positive.”

UK Government department / Devolved Government

“Allowing that kind of pre-referral meeting was useful because whilst it was very formal, it allowed us to ask some questions ahead of submitting a report. Once you put the referral in, you got the report back – there was no in-between. It gave us that initial engagement with them to say, ‘Look, this is what we're doing, here's who we are, here's how we're approaching that, here's some questions that we have; can you give us any advice.”

Local Authority

*“I found that **their feedback is really helpful in terms of improving the Principles Assessment**. They raised some useful points for us that we then incorporated into the draft. Then the final version was a better product because of that. In general, a good experience, fantastic.”*

UK Government department / Devolved Government

Most Public Authorities also highlighted clear communication and responsiveness from SAU staff and case managers were described as helpful and supportive.

*“They're very **quick at responding**. They **assign a case manager** to you who is very responsive. They provided any details that we did need when we did follow up with them. So, I was quite content with the actual service of the SAU and the model with which they work with you on.”*

UK Government department / Devolved Government

*“The turnaround times in terms of considering the draft was **really quick** as well. That was very reassuring and very helpful to have that.”*

Local Authority

However, some challenges were raised. These included changes in SAU personnel between early and later conversations.

*“**The casework team that was assigned to us was different to the people that we'd had an initial discussion with**, which immediately I found a bit strange... Obviously, they put different people on different cases, but it did mean that we were dealing with people who weren't in that initial conversation and weren't privy to the discussion that we'd had.”*

UK Government department / Devolved Government

One Public Authority criticised the SAU for being over-bureaucratic and involving too many staff in referral meetings. They felt this created unnecessary work and led to “mission creep”, with the SAU engaging in areas of policy beyond Subsidy Control.

*“There will probably be 15 [SAU staff members] on the other side of the call. That in itself means that people are creating work for themselves and that, in our perception, **they're getting into mission creep**... They're getting into things about what we're doing, which is, to be really frank, **none of their business**. It's not a subsidy issue.”*

UK Government department / Devolved Government

One Public Authority reported that their interactions with the SAU had become more formal over time.

*“I think that **it has changed and it has become more formalised**... I initially had contact with a specific caseworker ... and that was quite informal contact. I called them before I submitted the referral and said, 'These are all the things that we've addressed. This is what we've worked on this is what we've not been able to do'. And that felt really useful – really beneficial.”*

Arm's-Length Body / 'Other' Public Authority

Although many Public Authorities noted the time involved, a small number said they were grateful for the flexibility shown by SAU staff. They described cases where the SAU accommodated compressed timelines to ensure policy delivery could progress.

*“The CMA were really great... **very accommodating** despite us giving them much less time than they'd normally want.”*

UK Government department / Devolved Government

A small minority of Public Authorities had submitted several referrals. These Authorities said they would like the process to adapt to reflect this, by allowing referrals to be grouped. A few Public Authorities mentioned the need to submit referrals for the exact same subsidy again in the future or had multiple SSoPIs referred concurrently.

These Public Authorities also felt the process could be streamlined by improving information sharing and building SAU knowledge of specific policy areas.

*“I completely understand how they have different teams to work on different referrals because that's obviously how it works. But what it can sometimes mean is that there's a different team working on a different referral, but both [with the same beneficiary]. So, you can sometimes get a little bit of, 'We don't understand what this is about', because it's a different subsidy that we're referring. **It can be a little bit challenging to try and make sure the different people in the SAU that we need to explain things to all hear the same message** and all understand the bigger picture.”*

UK Government department / Devolved Government

*“[How would you improve the referral process?] It would be for us to say, 'Here's how much funding we need to provide to [the beneficiary] for X number of years. Here are the activities we want to provide funding for' and **write one kind of referral for it all.**”*

UK Government department / Devolved Government

Most Public Authorities made no or 'minimal' changes to their Principles Assessment even after receiving feedback from the SAU

Most Public Authorities said they made minimal changes to the submission and Principles Assessment based on SAU feedback.

*“We had the pre-referral chat with them, then we sent in the pre-referral assessment. The SAU reviewed it, came back with another meeting with colleagues and ourselves. They came up with some initial findings. Then **we went away and tweaked the assessment before formally submitting.**”*

Arm's-Length Body / 'Other' Public Authority

*“I think they gave us some **minor bits of feedback**, but it was a very smooth process because we did a thorough piece of work, and their comments were effectively like, 'You could think about this, you could think about that, maybe tweak that.' But **it wasn't like there were any big issues raised.**”*

Local Authority

A few said they made no changes to their Principles Assessment because of time pressures or because there was nothing they were required to change.

*“We took some time to reflect on the advice that [the SAU] had given us. We prepared a separate document that kind of tabled all of their remarks and provided specific responses to those remarks. They had said you needed to provide more of [something], and we kind of had to just directly say **it doesn't exist. And within the time that we had, we couldn't produce it – it would take years. So, it's a nice to have** rather than it being necessary to comply with the rules.”*

Arm's-Length Body / 'Other' Public Authority

One Public Authority noted that although there was a lot of feedback, it felt wasted, as they were unlikely to carry out another Principles Assessment.

Implications of the report on subsidy design

While many Public Authorities mentioned making tweaks to their assessment after receiving feedback from the SAU, few mentioned making changes to subsidy design

In most cases, SAU feedback did not result in changes to the subsidy or scheme design.

*“**It didn't change anything about the subsidy itself.** It was just changing some things about the Principles Assessment... There's not been a fundamental change to the subsidy design or anything like that.”*

UK Government department / Devolved Government

*“The reality is, if we hadn't gone through the process [of referral to the SAU], it **probably wouldn't have changed anything.** So, you know, are they about compliance? Maybe they are just about compliance, and there's 'All the boxes are ticked, there's nothing else to be done'. Or are they about really getting to the number of making sure [funding] is being spent in the right way?”*

Local Authority

*“**I find them quite odd as reports...** because it's a report on your homework to some extent. In the same way that nobody was able to see our submission, somebody reading it wouldn't know what was being criticised. **You don't know if it's criticising the style, the content, if there was anything wrong.** So, it's quite difficult to distinguish. It was a case of just reading through and getting to the point of knowing if it was okay for us to award this contract.”*

Local Authority

For one Public Authority this was because changes were not possible.

“We would have been extremely limited as to what changes we could have actually made to the subsidy because we had already been through a procurement process that was compliant with the very, very special requirements of [the type of subsidy we were awarding]... so if [the SAU report] had come back and said, ‘No, you need to make this change’, it's like, what law do you break? Do you break Subsidy Control Act, or do you break the law in relation to [type of subsidy] procurement?”

Local Authority

Another Public Authority reported frustration that they were not able to see reports before publication. They felt their final report included factual errors about their policy and subsidy. They noted that in other areas of government, reports were usually shared before publication to check technical accuracy, but the SAU process did not allow this. Several Public Authorities had concerns about potential reputational damage due to the public nature of the reports.

*“In other departments or other teams where a report was being drafted, we'd always been given a draft of it just to check for factual accuracy... We'd probably say that **there were some factual inaccuracies in there which could have been clarified**. For example, as simple as paraphrasing our policy objective in a way that misrepresented the policy.”*

UK Government department / Devolved Government

*“Their report, because that's what they've got to do, inevitably points out where your analysis could be stronger, which means that as a Public Authority **it can feel like your homework's being marked in public**, but then in private they're saying, ‘Yeah, we're chilled out about this.’”*

UK Government department / Devolved Government

*“There were a couple of points where **we thought there was maybe a misreading of what we'd written on something**. There was just one where we were just like, ‘Oh, no, we could explain that if they asked us.’”*

Local Authority

Although most did not make changes to their subsidy design, a small group said the reports would be helpful for guiding future referrals.

*“I think [we found] the report useful because we're going to be having to write very similar referrals again soonish. I think it's **useful in terms of knowing what to do for next time and what to consider**.”*

UK Government department / Devolved Government

A small group of Public Authorities said they would have valued more direct input from the SAU into subsidy design, rather than feedback being limited to compliance. They felt the SAU should provide stronger opinions and share responsibility for decisions, instead of leaving it entirely with the Authority.

*“It was good to evidence that we’d done everything we need to do to analyse whether it’s a suitable subsidy or not, and so whatever decision we make on the back of that evidence and that assessment would be a fully supported one... **It would have been helpful to have an opinion**, even if it was ‘You can’t rely on this opinion, but just as an opinion, it would be a benefit.’”*

Local Authority

*“We all went into the process thinking, ‘We need to go to the SAU so they can sign off the subsidy’, and that’s just not [the case]. They didn’t want to do that at all. **All they say is, ‘It’s probably not breaking the law, but back to you guys.’**” It’s the most slopey-shouldered experience imaginable, you know, ‘So, we’ve done our bit but **if it goes wrong, it’s still your fault.**”*

Local Authority

*“Our biggest problem was an ongoing issue...about who was [awarding] the subsidy... and **the CMA basically kept out of it...** They didn’t have a strong view. They said, ‘Go get your legal advice.’”*

UK Government department / Devolved Government

Overall reflections on the Act

Many Public Authorities felt the Subsidy Control Regime allowed them to deliver their policy priorities

Overall, participants recognised that, as Public Authorities awarding public funding, checks and processes were necessary, and they expected there to be some accountability for their decision-making when awarding subsidies.

Many felt the Act itself was functional, with several mentioning how 'flexible' it was and a few mentioning the value of schemes. Others described being able to continue awarding subsidies with limited issues.

"There is considerable room for manoeuvre there and the ethos behind the Act is clear... it's still trying to encourage appropriate [awarding] of subsidies... We don't find it's a barrier."

Local Authority

"I do think the Act is worded in a way that allows flexibility in terms of schemes and one-off subsidies. So, I do think that does work well, and... if you can design a scheme that is very helpful, it reduces our workload to do [award] subsidies through the scheme."

Local Authority

"I think the Act makes an awful lot of sense in the same way as a lot of the procurement regulations make a lot of sense and gets unfairly blamed for being a barrier to things because people are not necessarily willing to either think differently or actually recognise why the legislation is in force in the first place. And I think therefore that the Act itself is fine. I don't really have any issues or concerns about it."

UK Government department / Devolved Government

"It hasn't really caused us any issues... We've implemented processes that are manageable across my team."

Local Authority

"[The Subsidy Control Regime] gives the Authority the ability to design its own scheme and test whether it complies itself with the Act... it's more permissive [than the State Aid Regime]"

UK Government department / Devolved Government

However, a few felt this 'flexibility' in the Regime could mean that language could be adapted to 'fit' the subsidy to the principles rather than changing their design.

*“I think in practice it's going to be up to the public body as to how willing they are to be flexible and whether they want to take those risks, because I feel like, like you could really make quite a lot of different judgements. **You could go into huge detail as to how you meet a principle, or you could just decide it's met and put a line under it.** And I feel like there's a risk that people don't change very much in what's being delivered on the ground.”*

Arm's-Length Body / 'Other' Public Authority

While many participants from Public Authorities felt that the Regime enabled them to deliver their policy priorities effectively (35/52), a minority (11/52) disagreed.

Those that disagreed often did so because of practical or resource considerations, rather than disagreeing with the Subsidy Control Regime's overall purpose, as outlined further in the section below. For example, one participant from a Public Authority, who disagreed that the Regime enabled them to deliver policy priorities effectively, felt that Local Authorities with fewer resources may be deterred from awarding funding due to the resources required to comply with Subsidy Control.

A few Public Authorities disagreed with the statement because they felt that the main purpose of the assessment was to evaluate the risk of distortion to markets, and in their view, this was not relevant to their subsidies. One of these Authorities also mentioned that the Subsidy Control requirements had interfered with the ability to deliver policy priorities that had an urgent time frame.

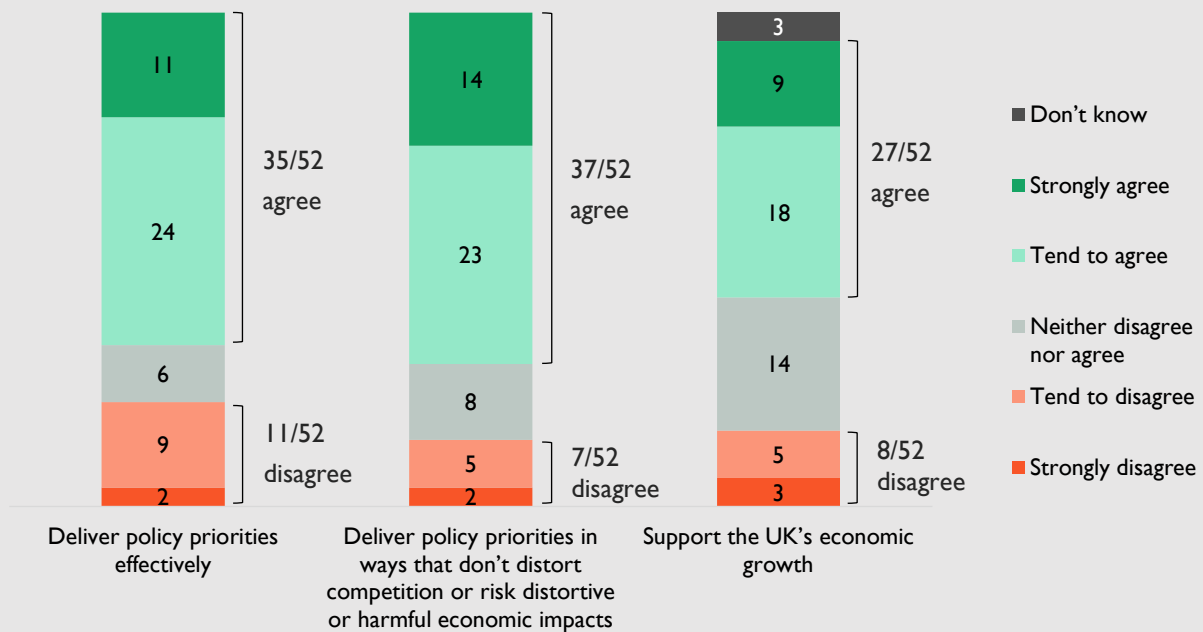
Similarly, a majority agreed that the Regime enables them to deliver policy priorities in ways that don't distort competition or risk distortive or harmful economic impacts (37/52), though again, a minority (7/52) disagreed.

One Arm's-Length Body / 'Other' Public Authority, who disagreed that the Regime enabled them to deliver policy priorities in ways that do not risk distortive or harmful economic impacts, felt that it was difficult to challenge a subsidy given the financial barriers associated with legal costs of making a challenge, and the practical barriers of navigating the Subsidy Database.

Another Arm's-Length Body / 'Other' Public Authority felt that it was hard to separate out economic and other impacts.

27/52 participants also agreed that the Regime enables them to design and deliver subsidies / subsidy schemes that support the UK's economic growth, while 8/52 disagreed and 14/52 were neutral.

Extent to which participants felt the Subsidy Control Regime allows them to design and deliver subsidies / subsidy schemes that...



Q: "To what extent do you agree or disagree that the UK's Subsidy Control Regime allows your Authority to design and deliver subsidies/subsidy schemes that do each of the following." Base n=52

One Public Authority who disagreed felt that the 'bureaucratic' nature of the Regime was 'anti-growth'.

*"I think we've got ourselves into a situation whereby, you know, this government's desperate for growth, and **they've got these mechanisms which are anti-growth.**"*

UK Government department / Devolved Government

The main challenges reported by Public Authorities were resource-related, rather than related to the legislation itself

While most Public Authorities felt neutral or positive about the Act's purpose, many said their concerns were practical rather than principled. They pointed to issues such as uncertainty over definitions, administrative burden and delays. These factors shaped views of the Regime more than objections to Subsidy Control itself.

*"The Act is working fine... I understand what it is trying to do, and I think it probably does do that, but I think **there are probably easier ways of protecting public finance and not distorting the market.**"*

Local Authority

Practical challenges raised by Public Authorities

Many said the process was overly bureaucratic, time-consuming and resource-intensive, and several described experiencing delays to delivery.

*"I know we need to document stuff because we're working with public money, but there has to surely be an easier way of doing that... **We just don't have the time and the resources and the skills to work at that level and at that pace.** There are just not enough people. It's a lot of work."*

Local Authority

*"I understand why [the Regime is] needed. I don't challenge the fact that it's a necessary part of a functioning competitive environment... I just worry that **it is overly bureaucratic and there is too much interrogation** on what is now a much smaller field."*

Local Authority

*"It's **overly bureaucratic** as a process and **dense** when it doesn't need to be."*

UK Government department / Devolved Government

*"**It makes government support much less agile**... very hard to turn something around in a week"*

UK Government department / Devolved Government

Subsidy Control was also often seen as a compliance exercise rather than something that influenced subsidy design. Authorities said the Regime rarely shaped how programmes were designed but added administrative work to ensure compliance.

*"Our priority was on the quality of the [service] provision... and so **I think it was more 'Okay, we need to comply with this policy'**... it hasn't really impacted other than creating a bit of work for the team. It hasn't changed the way in which we've set up the programme."*

Local Authority

*"It's **something else you have to navigate**... I don't know if it really has helped in any particular way."*

UK Government department / Devolved Government

A small group of Public Authorities believed the risk of market distortion was very limited, and therefore a full assessment felt disproportionate.

*"Most of our projects ... will be very local in scale... **They are unlikely to have an effect on the wider state of competition**... We have a very, very limited market over here."*

Local Authority

A few Public Authorities suggested that a simplified compliance process for low-value schemes (above MFA but below a higher threshold) would be beneficial.

*"What would be nice is if there was **a Principles Assessment template-lite, you know, that could be, say, for a threshold, but below a particular threshold,** for example, that you were able to just do a really abbreviated form."*

Arm's-Length Body / 'Other' Public Authority

In Northern Ireland, Public Authorities reported that the continued need to balance the EU State Aid Regime with the UK Subsidy Control Regime created further workload and required specialist knowledge within teams.

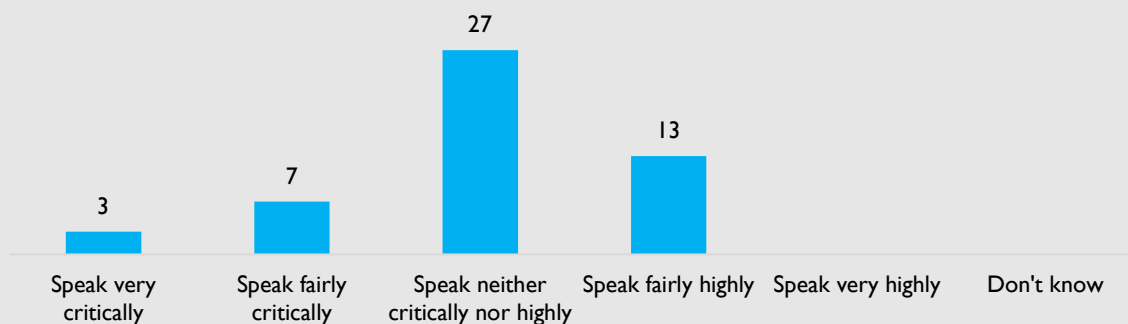
Many remained neutral about the Subsidy Control Regime overall

Most often, participants that indicated some level of familiarity with the Subsidy Control Regime felt neutral about it, with 27/50 of this group reporting that they would speak 'neither critically nor highly' about it.

"It's just something we have to deal with. I don't have a view on it one way or another"

Local Authority

How participants who were familiar with the Subsidy Control Regime indicated they would speak about it, if asked



Q: "Thinking about each of the following, which of these phrases, if any, best describes the way you would speak about it, if asked: The Subsidy Control Regime." Asked to those that indicated they knew 'not very much', 'a fair amount', or 'a great deal' about it in a previous question. Base n=50

During qualitative interviews, many explained their neutrality by saying they did not know enough to make a judgement, or that they could only comment on their own experience and were unsure how well the Act was working overall.

Some felt that the Regime had not yet been 'tested' yet.

*"I suppose where **it's really tested is when somebody makes a successful challenge to it**... and we haven't had that yet, but we are aware, I think, of one or two cases in the country"*

Local Authority

A small group of Public Authorities felt it was too early to tell how well the Regime was working. They described the UK as still being in a 'transition period', with limited challenges to date, making it difficult to judge the effectiveness of the system.

Technical annex

Method overview

This project was delivered in two phases:

- An initial pilot – designed to gather evidence about Subsidy Control implementation from 25 Public Authorities, whilst simultaneously testing the effectiveness of different recruitment approaches and the feasibility of implementing the methodology on a larger scale.
- The extension – using evidence on methodological effectiveness from the pilot to build on the initial sample, with data collected from a further 25 Public Authorities. To broaden the profile of the achieved sample from the pilot phase, minimum quotas were set for the type of Public Authority and the nation they were from.

Across the two phases, a total of 50 teams within Public Authorities that had subsidies / subsidy schemes listed on the Subsidy Database were recruited and interviewed. Of the 50 interviewed, 48 were with unique Public Authorities, while two interviews were completed with different teams within the same Public Authority.

The pilot research project ran from February to March 2025. Recruitment began on 10th February, and interviews were conducted between 17th February and 24th March 2025.

The extension of the research took place between June and September 2025, with recruitment beginning on 19th June and interviews conducted between 2nd July 2025 and 5th September 2025.

Recruitment

Sampling data

The sampling data for this research, used during the pilot phase and again for the extension phase, came directly from the CMA, who randomly sampled 450 subsidies / subsidy schemes from an export of the full Subsidy Database (containing data on 1,598 subsidies or subsidy schemes in total), which was downloaded on 6 February 2025. An additional sample of 842 subsidies and subsidy schemes, also drawn from the original download of the Database, was subsequently provided for the extension phase, along with a list of 51 subsidies that had been referred to the SAU. This was done to ensure quotas were met for Public Authorities with referral experience.

Awards of £100,000 or less were excluded, with the exception of those made by one Public Authority. This Authority had very high number of entries on the Database, all but four of which were for amounts under £100,000. We therefore excluded its awards of £25,000 or less. In total, 306 subsidies / subsidy schemes were excluded through this process. The remaining 1,292 awards were stratified into four categories based on award type (scheme/standalone) and year (2023/2024-2025). 75 awards were selected from each scheme stratum and 150 from each standalone subsidy stratum.

The sampling data aimed to provide a wide range of subsidies / subsidy schemes, rather than representativeness. Awards were randomly selected, to avoid bias, and were given weighted probabilities of selection to prevent over-representation of Public Authorities who appeared frequently in the Database, with six awards selected at most per Authority.

The CMA also provided additional information regarding which subsidies / subsidy schemes had been referred to the Subsidy Advice Unit to capture the experience of Public Authorities who had gone through this process.

Quotas

In the extension phase (because the achieved sample from the pilot had consisted predominantly of Local Authorities and of English / UK-wide Public Authorities), minimum quotas were set in order to broaden the profile of the achieved sample by type of Public Authority and nation.

Approaches trialled and learnings about the most efficient method

The order in which Revealing Reality could contact and recruit Public Authorities was randomised to minimise the effects of bias, with this randomised order assigned by the CMA to all subsidies / subsidy schemes.

Those Public Authorities that had more than one subsidy / subsidy scheme were subsequently grouped together in the order, enabling researchers to contact them about all relevant subsidies / subsidy schemes at once, in line with the randomisation. The exception to this occurred where Authorities had multiple subsidies / subsidy schemes that were likely to have different teams responsible for them; these subsidies / schemes were treated separately.

In total, 215 Public Authorities (or specific teams) were contacted for this research.

During the pilot phase, two different recruitment approaches were used. In the first approach, contact details for the office of the Chief Executive (or equivalent) in the relevant Public Authorities were provided by the CMA. In the second, researchers from Revealing Reality used publicly available information to find contact details for the relevant individuals, directly contacting subsidy teams where possible.

Both approaches gave similar results, with 20% Public Authorities contacted agreeing to be interviewed through the “top of the office” approach and 19% agreeing to be interviewed through the subsidy teams approach. The latter approach, however, proved to be more time-efficient and so was ultimately used for the rest of the research.

Similarly, two modes of contact were used in the initial stages of recruitment – email and phone. Ultimately, email was the more effective recruitment route; while phone numbers were available, these were often generic numbers for the Authority. Researchers were often passed through to several different people, as those answering the calls were unsure who to point them to, creating barriers in getting through to the right person.

To improve response rates, emails were personalised using the person’s name and the subsidy name / description. They were also all sent with an authentication letter from the CMA along with an information sheet describing the goals of the research and what taking

part would entail. Additionally, tools were used for sending out personalised emails en masse (e.g., mail merge), improving the efficiency of this mode of contact.

Responses from Authorities

Throughout the pilot phase, 131 Public Authorities were contacted. The following responses were received:

- 25 were interviewed
- 13 responded positively but were not interviewed
- 71 did not respond
- 4 declined

In the extension phase, 84 Public Authorities were contacted. These were their responses:

- 25 were interviewed
- 6 responded positively but were not interviewed
- 45 did not respond
- 8 declined

Some Authorities that responded positively were not interviewed for the following reasons:

- For some, the request was passed on to another team, but they didn't follow up
- Others lost interest or decided not to respond
- Some were unavailable during the time available for fieldwork
- For other Authorities, the relevant person had left or was no longer available

In some cases, where a response was not received, this was because email addresses were incorrect or undeliverable, or organisational firewalls or filters blocked the email.

Some who had declined reported limited time or resources to take part. In other cases, the work involved in making the subsidy / subsidy scheme had been outsourced to an external provider, meaning those at the Authority felt they would not be appropriate participants for the research.

Fieldwork: 50 1-hour remote interviews with quantitative and qualitative components

The interviews were delivered remotely in a hybrid format, involving both quantitative (a scripted survey) and qualitative (interview) components. Researchers completed the survey on participants' behalf, sharing their screen and reading out the questions such that participants could both read and hear the questions being asked, and could indicate what answer they wanted to select.

Initially, in interviews completed early in the pilot phase, the quantitative component was completed in one go at the beginning the interview, with qualitative interview questions following. However, midway through the pilot fieldwork period, the data collection instrument was updated to have blended quantitative and qualitative questions – that is, the quantitative and qualitative components of the interview were completed in parallel. This allowed the interviews to feel less repetitive, with participants able to share the reasons behind their answers in the survey directly in the moment.

19 of the 50 interviews were conducted with more than one member of staff from the Public Authority. Interviews with multiple attendees were requested by the Authorities themselves, who reported that more than one person had been involved with the processes of designing and delivering the subsidy / subsidy scheme and the assessment. The individuals interviewed were those whom the Authority felt were most responsible for designing and delivering the relevant subsidies / subsidy schemes.

Topics covered in the data collection instrument (quantitative and qualitative) included:

- Understanding and perceptions of the Subsidy Control Regime
- Experiences of the subsidy design process, transparency and compliance
- Understanding and experiences of the Subsidy Advice Unit and the Competition Appeal Tribunal
- Whether the Act works as intended

To see the full data collection instrument, including all quantitative and qualitative questions asked, please see page 69.

Final sample overview

In total, participants in 50 unique teams within Public Authorities were interviewed – 25 from the pilot phase and a further 25 from the extension. Those interviewed were from different types of Authority:

- **27** were from **Local Authorities**
- **11** were from **Government departments / Devolved Government departments**
- **12** were from **Arm's-Length Bodies** or **'Other' Public Authorities**

There was also spread in terms of nation:

- **27** were from **England / UK-wide**
- **9** were from **Scotland**
- **6** were from **Wales**
- **8** were from **Northern Ireland**

Public Authorities also varied in terms of their approximate staff headcount,¹² though a majority of Authorities were classified as 'large':

- **4** were from **small** Public Authorities (11 to 50 employees)
- **5** were from **medium** Public Authorities (51 to 250 employees)
- **41** were from **large** Public Authorities (251+ employees)

Participants worked in a variety of roles, including:

- Legal teams
- Finance teams
- Public Authorities' internal subsidy control teams

¹² These figures were determined through self-reported staff size at the Public Authority and publicly available information online.

- Risk and compliance teams
- Programme or policy leads
- Fund managers
- Strategic leads

2 further Public Authorities completed the survey independently of the interviews, leading to a total of 52 survey responses. However, personal details about these participants, including those relating to Authority type or specific subsidy / subsidy scheme, were not provided in the survey, meaning that data from them has not been used in analysis by type of Public Authority and nation.

Data collection instrument

This section contains the full data collection instrument used in this research, including quantitative questions, which were scripted into a survey and shown on-screen, as well as qualitative interview questions, shown here in grey boxes.

Introduction

Objective: Introduce the interview participant to the project, make them feel comfortable and explain how the interview will be carried out.

Researcher to outline project background:

- The CMA's Subsidy Advice Unit (or SAU) is assessing the effectiveness of the operation of the Subsidy Control Act by considering how well the Act is operating with respect to the delivery of the regime's purpose and policy aims.
- The organisation I work for, Revealing Reality, has been commissioned by the SAU to explore the experiences and perspectives of Public Authorities with respect to the UK's subsidy control regime to inform the SAU's evidence-gathering.
- Do you have any questions at this point?

Researcher to outline:

- **Mix of quantitative and qualitative questions:** We will ask a mixture of structured, survey questions where you'll be asked to select from a list of answer options, and then will move on to some open-ended interview questions – feel free to answer these in any way you want.
- **No right or wrong answers:** There are no right or wrong answers in these interviews. We encourage you to be open and honest, and you should feel at ease sharing your thoughts.
- **Neutral and non-judgmental role:** Our role as independent researchers is entirely neutral and non-judgmental. We're here to listen and gather information without any bias.
- **Anonymity and confidentiality:** All reporting will be aggregated and anonymous. The SAU does not know who has been approached about taking part in the research, nor who has agreed to take part. We will not reveal your identity to the SAU, except in the very unlikely event that we are required to do so by law. Your stakeholders will not know that you've participated in the research. We may use quotes and aggregate evidence, but all information will be anonymised in the reports.
- **Voluntary participation:** Your participation is entirely voluntary. You can choose not to answer any questions or end the interview at any time.
- We'll be talking for 45-60 minutes – finishing up at [XXX]. I have a lot of questions to get through and, in order to finish on time, I may need to interrupt you or move the conversation on

- Do you have any (further) questions at this point?

Researcher to read out:

As we talk, could you please have in mind the [subsidy given to <name of recipient> dated <date of subsidy>] [the <name of> subsidy scheme that <started><will start> on <date>] and answer in reference to this [subsidy] [subsidy scheme] when appropriate.

What we refer to as a subsidy/subsidy scheme, your organisation might call {an Auction, a Fund, a Grant or Grant Scheme, a Programme, etc.}, but in this case we're referring to [insert subsidy/subsidy scheme name]. I hope that makes sense?

Background and the participant's working context

Objective: Briefly understand the research participant's work context and recent history to help put into perspective their opinions and any contrasting experiences.

What is your job role?

- Can you give me an idea of your role and your current responsibilities in this organisation?
 - PROBES: level of seniority, team member or team leader, decision-maker?
 - Was this your role/were these your responsibilities at the time of the [subsidy] [subsidy scheme] we're discussing today [give reminder of the subsidy/subsidy scheme name]? If no, what was different?
 - Do you have a particular area of professional expertise? (e.g. business development, economics, finance, law, policy)
- Can you briefly describe the composition, size, and structure of your team and where it sits within the wider structure of the organisation?
 - What would you estimate the headcount of your organisation to be?
 - PROBE [for local authorities]: excluding frontline workers, what does this look like?
- How many standalone subsidies/subsidy schemes have you personally been involved with in this organisation? If different, how many has the wider team been involved with, roughly?
- Do you have prior experience of giving subsidies/making subsidy schemes in any other Public Authority?

Background to subsidy

Can you give me a short overview of the subsidy / subsidy scheme and your involvement.

(Moderator explain if needed: We are particularly interested in the time period when the subsidy/subsidy scheme design was initiated, although the broader policy may predate this.)

- Researcher to confirm details about the subsidy/subsidy scheme are accurate.
- Researcher to probe:
 - When they were involved with the subsidy (e.g. right from the start and through to the end?)
 - Their role in the subsidy design

Subsidy overview – [can be filled from sample data plus additional data available on subsidy database]

For subsidies:

- Beneficiary name:
- Subsidy size:
- Subsidy given date:

For schemes:

- Scheme name:
- Budget size:
- Scheme made date:

Type:	Y/N	Guidance:
Subsidy or Scheme of Particular Interest (SSoPI):		If > £10m, or > £5m in sensitive sector, or a scheme capable of awarding subsidies which meet those criteria.
Subsidy or Scheme of Interest (SSoI):		If > £5m or a scheme capable of awarding subsidies which meet that criterion and not an SSoPI.
Potentially Minimal Financial Assistance (MFA):		Likely if < £315,000, though not certain.

Notes for interviewer:

- If not an SSoPI, then drop question 7.
- If neither an SSoPI nor an SSoI, drop question 6.
- If potentially an MFA, then ask additional question 3. If they confirm it is an MFA, then drop questions 4, 5, 6 and 7. Question 8 may not be relevant if the subsidy is for less than £100,000 and is an MFA.

Note that for the extension phase of this project, background information was captured in the survey questions:

- What is your name?
- What is the name of your Public Authority?
- What would you estimate is the headcount of staff in your organisation?
- What is the subsidy / scheme?
*For any standalone subsidy, please provide information on who the subsidy was awarded to.
For any scheme, please provide the subsidy name.*

I. Understanding of the Subsidy control regime

RESEARCHER TO READ OUT:

In the questions that follow, we use “the Act” to refer to the Subsidy Control Act 2022, “Authority” to refer to your organisation, “DBT” to refer to the Department for Business and Trade, and “SAU” to refer to the Subsidy Advice Unit.

Q1. How much, if anything, would you say you personally know about [...]?

READ OUT LIKERT SCALE CODES 1-5. SINGLE CODE ONLY PER ITEM

- [a] The subsidy control regime
 - [b] The DBT’s subsidy control Statutory Guidance (the Statutory Guidance)
 - [c] The DBT’s Subsidy Database (also referred to as the Transparency Database)
 - [d] The Subsidy Advice Unit (SAU)
 - [e] The Competition Appeal Tribunal (CAT)
-
- 1 A great deal
 - 2 A fair amount
 - 3 Not very much
 - 4 Nothing at all

ASK IF Q1[a][b][c][d][e] = CODES 1-3

Q2. Thinking about [...], which of these phrases, if any, best describes the way you would speak about it, if asked?

READ OUT LIKERT SCALE CODES 1-5. SINGLE CODE ONLY PER ITEM

- [a] The subsidy control regime
 - [b] The DBT’s subsidy control Statutory Guidance (the Statutory Guidance)
 - [c] The DBT’s Subsidy Database (also referred to as the Transparency Database)
 - [d] The Subsidy Advice Unit (SAU)
 - [e] The Competition Appeal Tribunal (CAT)
-
- 1 Speak very critically

- 2 Speak fairly critically
- 3 Speak neither critically nor highly
- 4 Speak fairly highly
- 5 Speak very highly
- 6 Don't know *DO NOT READ OUT*

Q3. To what extent do you agree or disagree that the UK's subsidy control regime allows your Authority to design and deliver subsidies/subsidy schemes that [...]? Do you ... ?

READ OUT LIKERT SCALE CODES 1-5. SINGLE CODE ONLY PER ITEM

- [a] Deliver policy priorities effectively
- [b] Deliver policy priorities in ways that don't distort competition or risk distortive or harmful economic impacts
- [c] Support the UK's economic growth
- 1 Strongly disagree
 - 2 Tend to disagree
 - 3 Neither disagree nor agree
 - 4 Tend to agree
 - 5 Strongly agree
 - 6 Don't know
 - 7 I don't know what the subsidy control regime is

How familiar were you with the subsidy control requirements prior to this subsidy / subsidy scheme?

- Why was that?
- How does this compare with your colleagues' knowledge / familiarity?

2. Experiences of the subsidy design process, transparency and compliance

Objective: To understand PA's experience of the subsidy design process and subsidy control requirements and if the practical arrangements effectively support public authorities in their assessment of compliance and awarding of subsidies.

What led [your organisation] to design a subsidy or subsidy scheme?

- How did you decide a subsidy was the best approach to delivering your policy goals?
 - Did you consider the Statutory Guidance when making your decision?

- Were there other types of support you considered? How many?
- What made a subsidy the preferred option?
- How confident was your team in understanding the next steps for subsidy control?
 - What did you do next?
 - What aspects of the process felt more or less clear?

For those whose subsidy's value was up to £315,000

Was your subsidy classified as a Minimal Financial Assistance? (5-20 minutes)

- What was the process like of determining whether your subsidy qualified or not?

If yes:

- What was your experience with the Minimal Financial Assistance (MFA) process under the Act?
 - How did you feel about the process overall?
 - What was your experience with the procedural requirements?
 - *PROBE: giving an MFA Notification, MFA Confirmation and requesting written confirmation the MFA threshold was not exceeded)*
 - What elements of the process worked well and less well?
- Did the ability to use MFA influence how your organisation designed subsidies?
 - If so, in what ways?
 - Did you find it less burdensome (in terms of time and level of analysis) to give an MFA and did that influence your decision to give the subsidy?
 - How confident did you feel in ensuring compliance with the MFA rules?

If no:

- [Where relevant] What led to the decision not to use MFA?
 - What other factors impacted the outcome to not use MFA?
- What impact did this have on the way you designed or implemented the subsidy?

ASK IF Q1[c] = CODES 1-3

Q4. Thinking about the Subsidy Database, how easy or difficult do you and your colleagues find it to [...]? Is it ... ?

READ OUT LIKERT SCALE CODES 1-5. SINGLE CODE ONLY PER ITEM

[a] Upload information onto the database

[b] Find information on other subsidies/subsidy schemes

- 1 Very easy
- 2 Fairly easy
- 3 Neither easy nor difficult
- 4 Fairly difficult
- 5 Very difficult
- 6 Don't know/can't remember *DO NOT READ OUT*
- 7 *[only for statement b]* Not applicable – have not used it to find information on other subsidies/subsidy schemes *DO NOT READ OUT*
- 8 Don't know what the Subsidy Database is

Why? What made it easy / difficult?

For those whose subsidies are above £100,000 or under £100,000 but were told it was not an MFA in Q3

What has been your experience with the transparency and accountability requirements?

Moderator explain if needed: This includes the obligation to publish awards on the subsidy control database.

- How have these impacted your subsidy process?
- Have you received any inquiries from third parties in relation to information on the Subsidy Database?

If yes:

- How many?
- From which third parties?
- Nature of the inquiries?
- What do you know about the role of the Competition Appeals Tribunal (CAT)?
 - *[If relevant]* What has your experience been with the CAT?

Q5. To what extent do you agree or disagree that your Authority has the capacity needed to self-assess and comply with the UK's subsidy control regime? Do you ... ?

READ OUT LIKERT SCALE CODES 1-5. SINGLE CODE

- 1 Strongly disagree
- 2 Tend to disagree

- 3 Neither disagree nor agree
- 4 Tend to agree
- 5 Strongly agree
- 6 Don't know *DO NOT READ OUT*
- 7 I don't know what the subsidy control regime is

Q6. To what extent do you agree or disagree that your Authority has the resources needed to self-assess and comply with the UK's subsidy control regime? Do you ... ?

READ OUT LIKERT SCALE CODES 1-5. SINGLE CODE

- 1 Strongly disagree
- 2 Tend to disagree
- 3 Neither disagree nor agree
- 4 Tend to agree
- 5 Strongly agree
- 6 Don't know *DO NOT READ OUT*
- 7 I don't know what the subsidy control regime is

Q7. Thinking about the [subsidy / subsidy scheme], how easy or difficult did you and your colleagues find it to undertake an assessment of compliance against the subsidy control principles?

READ OUT LIKERT SCALE CODES 1-5. SINGLE CODE

- 1 Very easy
- 2 Fairly easy
- 3 Neither easy nor difficult
- 4 Fairly difficult
- 5 Very difficult
- 6 Don't know/can't remember *DO NOT READ OUT*
- 7 Not applicable – the Authority did not undertake an assessment *DO NOT READ OUT*
- 8 I don't know what the subsidy control regime is

Why? What made it easy / difficult?

Q8. How confident, if at all, are you and your colleagues that this subsidy/subsidy scheme IS compliant with the UK's subsidy control regime?

MODERATOR READ OUT BEFORE RESPONSE OPTIONS: Just to remind you, everything you say will be anonymous. We are just looking to understand how sure you felt about whether the subsidy/subsidy scheme was compliant, given that the regime is still relatively new.

READ OUT LIKERT SCALE CODES 1-4. SINGLE CODE ONLY

- 1 Not at all confident
- 2 Not very confident
- 3 Fairly confident
- 4 Very confident
- 5 Don't know *DO NOT READ OUT*
- 6 I don't know what the subsidy control regime is

Q9. In designing the [subsidy / subsidy scheme] which of the following sources of advice, guidance or support, if any, did the Authority draw upon?*MULTI CODE*

- [a] The Statutory Guidance
- [b] Support from within your organisation
- [c] External advisers
- [d] The DBT templates
- [e] The DBT subsidy advice team
- [f] A Devolved Government subsidy advice team

- 1 Yes
- 2 No
- 3 Don't know/can't remember *DO NOT READ OUT*
- 4 I don't know what this is

MODERATOR TO TAKE NOTE IF PARTICIPANT MAKES AN EXPLICIT DISTINCTION BETWEEN SOURCES USED DURING THE DESIGN VERSUS ASSESSMENT PROCESS

ASK FOR EACH SOURCE OF ADVICE/SUPPORT USED AT Q9

Q10. How helpful, if at all, did you find the following sources of advice or support?*READ OUT LIKERT SCALE CODES 1-4. SINGLE CODE ONLY PER ITEM*

- [a] The Statutory Guidance
- [b] Support from within your organisation
- [c] External advisers
- [d] The DBT templates
- [e] The DBT subsidy advice team
- [f] A Devolved Government subsidy advice team

- 1 Very helpful
- 2 Fairly helpful
- 3 Not very helpful
- 4 Not at all helpful
- 5 Don't know *DO NOT READ OUT*

Q11. In designing the [subsidy / subsidy scheme], which of the following types of support were available within the Authority, even if the Authority did not use them in this instance?

- 1 Legal or regulatory support
- 2 Finance or budgetary support
- 3 Due diligence
- 4 Policy or strategic alignment
- 5 Technical or subject-matter expertise
- 6 Other (please specify)

FOR EACH SOURCE OF INTERNAL SUPPORT SELECTED IN Q11

Q12. For each of these types of support available within the Authority, how big are the teams available to support you?

- [a] Legal or regulatory support
- [b] Finance or budgetary support
- [c] Due diligence
- [d] Policy or strategic alignment
- [e] Technical or subject-matter expertise
- [f] Other (please specify)

- 1 1-2 members of staff
- 2 3-5 members of staff
- 3 6-10 members of staff
- 4 11-20 members of staff
- 5 21+ members of staff
- 6 Don't know *DO NOT READ OUT*

Don't ask to those who said their subsidy was an MFA in Q3

What was your experience of assessing compliance with the subsidy control principles?

- What steps did you take?
 - How did you record your assessment?
- Who was involved in the process?
 - PROBE: Internal or external experts, beneficiaries
 - Who led the assessment, and what was their role?
- Were any parts of the assessment more challenging than others?
 - Did certain principles stand out as harder to assess?
- Did the assessment lead you to make any changes to your subsidy?
 - If so, what changed and why?

For those in Q9 (above) who sought advice, guidance or support either within or external to their organisation:

- Who did you consult?
 - Why was that?
- What advice, guidance or support did they provide?
- What resources, guidance or support did you use?
 - PROBE: The DBT template, DBT statutory guidance, advice from the DBT (across the nations) or other subsidy team, other tools
 - What help were you looking for?
 - How useful were these resources and advice?
 - What worked well and less well? Was anything missing?
- Did you have all the information and evidence you needed?
- If not, what was missing?

3. Understanding and experiences of the SAU and the CAT

Q13. Did the [subsidy / subsidy scheme] involve a referral to the Subsidy Advice Unit (SAU)?

SINGLE CODE

- 1 Yes
- 2 No
- 3 Don't know/can't remember *DO NOT READ OUT*
- 4 I don't know what the Subsidy Advice Unit (SAU) is

Q14. The Act requires some subsidies to be referred to the SAU.

On balance, what impact, if any, does this requirement have on your Authority's ability to design and deliver subsidies that simultaneously bring strong benefits and mitigate negative impacts on competition and investment?

SINGLE CODE

- 1 It makes it harder
- 2 It makes it easier
- 3 It has no impact either way
- 4 Don't know *DO NOT READ OUT*
- 5 Research participant is not aware of this requirement *DO NOT READ OUT*
- 6 Research participant doesn't know what the SAU is

Q15. How much, if at all, does the SAU's existence and role in the subsidy control regime have an influence on your Authority's decision-making when considering whether to award subsidies that could be a Subsidy or Scheme of Particular Interest (SSoPI)?

SINGLE CODE

- 1 Not at all
- 2 A little
- 3 A moderate amount
- 4 A great deal
- 5 Don't know *DO NOT READ OUT*

Q16. What influence does the SAU's existence and role in the subsidy control regime have on your Authority's decision-making when considering whether to award subsidies that could be an SSoPI?

SINGLE CODE ONLY

- 1 It helps a lot
- 2 It helps a little
- 3 Neither helps nor hinders
- 4 It hinders a little
- 5 It hinders a lot
- 6 It hinders entirely *DO NOT READ OUT*
- 7 Don't know *DO NOT READ OUT*
- 8 Research participant is not familiar with this terminology *DO NOT READ OUT*

ASK IF Q16 = CODES 4-6

Q17. Would you say that you and your colleagues have decided not to design/award SSoPIs because of the SAU's existence and role in the subsidy control regime?

SINGLE CODE ONLY

- 1 Yes
- 2 No
- 3 Don't know

Q18. On balance, does the Competition Appeal Tribunal's existence and role in the subsidy control regime help or hinder your Authority's decision-making when considering whether to give subsidies/make subsidy schemes?

SINGLE CODE ONLY

- 1 Helps a lot
- 2 Helps a little
- 3 Neither helps nor hinders
- 4 Hinders a little
- 5 Hinders a lot
- 6 Hinders entirely *DO NOT READ OUT*
- 7 Don't know *DO NOT READ OUT*
- 8 I don't know what the Competition Appeal Tribunal is

ASK IF Q18 = CODES 4-6

Q19. Would you say that you and your colleagues have decided not to design/award SSoPIs because of the Competition Appeal Tribunal's existence and role in the subsidy control regime?

SINGLE CODE ONLY

- 1 Yes
- 2 No
- 3 Don't know

What is your understanding of the role of the SAU?

- How, if at all, does the requirement to refer some subsidies to the SAU impact the subsidies [your organisation] makes?
 - In what way?
 - PROBE: designing and awarding subsidies
 - How do you think it impacts your ability to deliver subsidies which are not distortive or economically harmful?
- How many referrals has your organisation made to the SAU?
 - How do you find the advice the SAU gives?
 - PROBE: Strength of the advice, reports, and improving assessments
 - What is useful, or not, about the information they give?
 - What could be done to improve it?
- Have you looked at other SAU reports for advice?
 - If not, why?
 - If yes, how helpful were these reports?
 - What aspects were helpful/unhelpful?

For those whose where Subsidy or Scheme is of Interest or Particular Interest

What factors did you consider when thinking about referring your subsidy or subsidy scheme to the SAU?

- Was your subsidy or scheme a Subsidy or Scheme of Interest?
 - If yes, did you consider making a voluntary referral? What influenced your decision?
 - If no, was it a Subsidy or Scheme of Particular Interest, requiring referral?
- Did you use advice to decide whether referral was needed?
 - Who did you consult, and why?
 - What advice, guidance or input did they provide?

For those whose where Subsidy or Scheme is of Particular Interest

What was your experience of referring to the Subsidy Advice Unit

- What was your experience with the SAU's guidance during the referral?
 - What aspects were helpful or restrictive?
- Did you contact the SAU prior to referral?
 - How did you find the information they gave you?
 - What was good/could have been improved about the support available?
- What did you think of the report?
 - What if at all was the impact of the report?
 - PROBE: on beneficiary, potential beneficiaries, or from any third parties
 - How did you navigate these?
- How did the referral process affect your subsidy?
- Were any changes made as a result?

4. Whether the Act works as intended

Objective: To understand how the Act shapes Public Authorities' decision-making with respect to subsidy awards.

How familiar are you with streamlined routes?

Moderator explain if needed: The streamlined routes are a type of subsidy scheme created by Ministers which allow Public Authorities to give subsidies which comply with the requirements of the streamlined route without conducting an assessment of their compliance with the Act.

- What is your understanding of streamlined routes?
- What do you think about the scope of the streamlined routes?
 - What do you think works well, what could be changed?
- What do you know about the guidance for streamlined routes?
 - How useful or not is it?
- Have you explored using streamlined routes for your subsidies at all?
 - Why / why not?

How well do you think the Act is working currently?

- What makes you say that?
- How well do you think the Act is meeting the original aims of enabling public authorities to deliver policy priorities in ways that don't distort competition or risk distortive or harmful economic impacts?
 - What makes you say that?
- How does the Act impact your ability to design and award subsidies?
 - In what way?
- Has your organisation had any proposals for subsidies/schemes not taken forward because of subsidy control risk?
- Do you know why?

Wrap up and close

Is there anything else you would like to add to your responses?

Do you have any wider relevant information to share or concerns that we have not had a chance to address?

Researcher to wrap up and thank participant for their time