



Department for
Business, Energy
& Industrial Strategy

Lord Callanan
Minister for Business,
Energy and Corporate
Responsibility

**Department for
Business, Energy &
Industrial Strategy**
1 Victoria Street
London
SW1H 0ET

Baroness Taylor of Bolton
House of Lords
London
SW1A 0PW

T +44 (0) 20 7215 501
E enquiries@beis.gov.uk
W www.gov.uk

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Dear Baroness Taylor,

I would like to thank you for your letter on behalf of the Constitution Committee in consideration of the Subsidy Control Bill (the Bill). I note your concern that certain definitions included in the Bill, notably of 'subsidy' and 'public authority', may lead to legal uncertainty.

These definitions have been designed to be consistent with our international obligations (including those arising as a result of the Trade and Cooperation Agreement with the EU), as well as laying the foundation for a bespoke, domestic regime. It is my view that these definitions provide the right level of clarity and legal certainty, while still remaining sufficiently broad as to encompass the different ways in which public funds may be used in the future to give subsidies.

I can confirm that the Government will also provide guidance that will help public authorities and recipients understand the practical application of the definitions and what authorities will need to do to comply with the subsidy control regime.

My officials have prepared illustrative guidance on the application of the subsidy control principles in order to support scrutiny of the Subsidy Control legislation at Grand Committee and subsequent stages of the Bill's passage. Although this illustrative guidance does not cover the definition of a subsidy or a public authority, I hope that it nonetheless serves to illustrate the nature and extent of the guidance that the Government intends to publish to support public authorities and others. Appropriate guidance, including on definitions, will be published in good time before the Act comes into force.

Finally, I note your interest in the matter of Clause 47(7), as raised in the Delegated Powers and Regulatory Reform Committee Report of 13 January. I recognise strength of feeling on this issue, evident in comments from Noble Lords at Second Reading of the Bill. As I noted at the debate, there is a lot to consider in terms of striking the right balance on this and on all the issues raised in the Report and I look forward to working with colleagues in Grand Committee to further understand concerns on the delegated powers in the Bill.

I hope that you find this information helpful.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Martin Callanan', with a long horizontal flourish extending to the right.

Lord Callanan

Minister for Business, Energy and Corporate Responsibility