# Subsidy Control Bill

AMENDMENTS
TO BE MOVED
ON REPORT

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**Clause 10**

LORD THOMAS OF CWMGIEDD

Page 6, line 31, after "Crown" insert "of his or her own accord or by a Minister of the Crown upon a reasonable request to make such a scheme addressed to him or her by the Scottish Ministers, the Welsh Ministers or the Department for the Economy in Northern Ireland"

**After Clause 12**

LORD THOMAS OF CWMGIEDD

Insert the following new Clause—

**"Determination of the equity rationale for a subsidy**

(1) This section applies where a public authority is considering whether to give a subsidy that has been proposed to pursue a policy objective to address an equity rationale.

(2) Where the proposed equity rationale relates to social difficulties or distributional concerns, in considering whether the rationale is valid the public authority must ensure that the following conditions are met—

(a) the social difficulties or distributional concerns must be determined solely by reference to economic deprivation in the geographic area in which the subsidy is to be made available,

(b) economic deprivation must be objectively determined on the basis of specific factors specified in regulations made by the Secretary of State, including gross domestic product per person, earnings from employment per person and the employment rate,

(c) the proposed subsidy must be set at a level that is objectively justifiable and proportionate to the extent of the economic deprivation of the geographic area, and

(d) the efficacy of the strategy under which the subsidy is to be paid in reducing the identified economic deprivation must be demonstrated.

**After Clause 12** - *continued*

(3) Where the proposed equity rationale relates to something other than social difficulties or distributional concerns, in considering whether the rationale is valid the public authority must ensure that any conditions specified in regulations made by the Secretary of State have been met."

**After Clause 67**

LORD THOMAS OF CWMGIEDD

Insert the following new Clause—

**"Role of CMA and devolved governments in call-in and enforcement**

(1) The CMA, the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland—

(a) may exercise the powers provided to the Secretary of State under section 55 to direct a public authority to request a report from the CMA in relation to a subsidy or subsidy scheme of interest or a subsidy scheme,

(b) may refer a subsidy or subsidy scheme to the CMA under section 60, and

(c) are interested parties for the purposes of Part 5.

(2) For the purposes of the requirement in section 55(2)(b) and section 60(2), the power to make a direction or a reference may be exercised if the body making the direction or reference under subsection (1) considers that—

(a) there is, or has been or may have been, a risk of failure to comply with the requirements of Chapters 1 and 2 of Part 2, or

(b) there is a risk of negative effects on competition or investment within the United Kingdom.

(3) If a direction is given under section 55 or a reference made under section 60 by virtue of subsection (1), the person making the direction or reference must send a copy of the direction or reference to the Secretary of State, the public authority and the other bodies listed in subsection (1) and must publish the direction or reference in such manner as the Secretary of State thinks appropriate.

(4) The provisions of section 58 apply when a call-in direction has been given under the powers contained in this section."

**After Clause 87**

LORD THOMAS OF CWMGIEDD

Insert the following new Clause—

**"Consent of the devolved governments in relation to regulations and guidance**

(1) Where under sections 11, (*Determination of the equity rationale for a subsidy*), 33, 34 and 59, the Secretary of State has power to make regulations and where in section 79 the Secretary of State has power to issue guidance, such regulations can only be made and such guidance can only be issued after the Secretary of State has sought the consent of the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland.

(2) If consent is not given by the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland within the period of one month beginning with the day on which such consent is sought, the Secretary of State may make such regulations or issue such guidance.

(3) If regulations are made in reliance on subsection (2), the Secretary of State must publish a statement setting out the reasons for the Secretary of State's decision to make such regulations or issue such guidance without the consent of such of the Scottish Ministers, the Welsh Ministers or the Department for the Economy in Northern Ireland as has not given consent."

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*16 March 2022*