


Queen's speech – reaction to long awaited Subsidy Control Bill announcement

Experts are calling on the Government to ensure its Subsidy Control Bill tackles red tape and streamlines the funding process.

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Subsidy Control experts are calling on the Government to ensure its Subsidy Control Bill, (announced in today's Queen's speech), tackles the burden of red tape and streamlines the funding process, removing the uncertainty that currently exists for providers and recipients of public funding and which in turn will help in the recovery of the UK's economy.

Parliament formally opened for a new session with the Queen's speech announcing details on the Bill which will replace the previous EU framework around state aid that was temporarily transferred over to UK law after Brexit. The new framework developed under the Bill will determine how money should be distributed to businesses and projects.

Browne Jacobson government and infrastructure lawyer and Legal Director, [Alex Kynoch](#) commented:

"While the Government's recent consultation on subsidy control has made it clear that a fuller suite of subsidy control rules is expected, it is useful to see confirmation of the new Subsidy Control Bill. The current approach of simply porting the requirements of the UK-EU Trade and Cooperation Agreement directly into UK law without the usual legislative detail has resulted in significant uncertainty for providers and recipients of public funding, slowing down funding decisions rather than streamlining them by removing 'red tape'. More clarity is not just to be welcomed, it will be critical to the distribution of funding and support that the Government is planning to implement as part of its wider agenda. It will also enable private recipients and co-investors to proceed with a greater degree of confidence that their projects are compliant and so not open to legal challenge.

"We are encouraging Government to take this opportunity to provide clear 'safe harbours' setting out subsidies which will be acceptable in advance, bypassing the requirement to undertake a fresh assessment of the subsidy control principles for each project. This, combined with a greater degree of flexibility envisaged by the new regime, will give public authorities with the tools to swiftly and efficiently deploy targeted funding to support businesses and promote a stronger economic recovery."

Contact



Henrietta Scott

Head of Marketing

PRTeam@brownejacobson.com

+44 (0)330 045 2299

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