

# Subsidy Control Principles Assessment Template

Section 12 of the Subsidy Control Act 2022 requires public authorities to consider the subsidy control principles and be of the view that their subsidy or scheme is consistent with those principles before giving an individual subsidy or making a subsidy scheme. This template outlines the main components of the assessment framework which helps to ensure that a subsidy is consistent with these principles. Public authorities should also refer to the full requirements set out in the Act as explained in the Statutory Guidance.<sup>1</sup>

It is recommended that public authorities use this template to assist with documenting their evidence, analysis and conclusions for their principles assessment for most subsidies and subsidy schemes.<sup>2</sup> The depth of the assessment of compliance with the principles for a subsidy or subsidy scheme should be commensurate with the size and the potential distortive impact of the subsidy, or subsidies given under the scheme. This template may be used as the starting point for documenting the principles assessment for Subsidies or Schemes of Interest (SSoIs) or Subsidies or Schemes of Particular Interest (SSoPIs). However, a more extensive assessment on the potential distortive impacts will need to be undertaken for these types of subsidies and schemes.<sup>3</sup>

Public authorities should state what evidence has been used for each component of the assessment. This may involve cross-referencing to specific sections of the associated business case or other internal or external documents. Additionally, it is recommended that public authorities explain their approach to:

- how contradictory or inconsistent evidence was weighed in coming to conclusions under each element of the assessment; and
- any decisions made in relation to the proportionality of not collecting evidence or undertaking analysis as suggested in the Subsidy Control Statutory Guidance.

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<sup>1</sup> [www.gov.uk/government/collections/subsidy-control-regime](http://www.gov.uk/government/collections/subsidy-control-regime)

<sup>2</sup> A scheme's consistency with the subsidy control principles is generally assessed in the same manner as for individual subsidies. The assessment should focus on the subsidies that could reasonably be given under the terms of that new scheme that have the highest risk of not complying with the principles.

<sup>3</sup> As set out in Chapter 3 ('subsidy design and assessment') of the statutory guidance, public authorities are advised to follow the same four-step assessment framework for these categories of subsidy and to refer to Annex 2 of the Statutory Guidance as well the Subsidy Advice Unit guidance.

## Citizens Advice Tendring Mental Health Hub Subsidy Scheme – Tendring District Council

Assessment Framework Component	Recommended Evidence
Step 1	<p><b>Policy objective</b> (Subsidy Control Principle A)</p> <ul style="list-style-type: none"> <li>▪ <i>Provide details of specific policy objective</i></li> <li>▪ <i>Establish the existence and significance of the market failure and/or the inequality the subsidy seeks to address</i></li> <li>▪ <i>Identify how the subsidy will remedy the market failure (i.e. provide a more efficient outcome) and/or address the equity objective (reduce an inequality)</i></li> <li>▪ <i>State the desired outcome(s)</i></li> </ul>
	<ul style="list-style-type: none"> <li>▪ The policy objective is within the Council's Corporate Plan 2024-2028 which seeks to deliver working with partners to improve quality of life and to promote safer, healthier, well connected and inclusive communities.</li> <li>▪ Funding provision to Citizens Advice Tendring via a subsidy scheme will specifically seek to address poor mental health outcomes: <ul style="list-style-type: none"> <li>○ <b>Mental Health:</b> The prevalence of anxiety and depression in over 18 year olds across North East Essex at 14.3% is higher than the rest of Essex and England and the prevalence for severe mental health as recorded on general practice disease registers is also significantly higher at 1.00 than the Essex (0.80) or England average (0.94) the prevalence of long term health conditions across North East Essex is also slightly higher than across Essex and similar to England. (<i>Page 81 Essex County Council Joint Strategic Needs Assessment 2019 Tendring Local Authority Health Profile</i>)</li> <li>○ <b>Health Inequality:</b> Tendring is one of the 20% most deprived districts/unitary authorities in England. Approximately 24% (5,500) of children in Tendring live in low income families. Life expectancy in the most deprived areas of Tendring is 10.6 years lower for men and 7.8 years lower for women in than in the least deprived areas. In the most deprived areas people not only live shorter lives than average for England, but also experience worse health. Source: (<i>Page 23, Embedding the Marmot Principles in Tendring, Essex, Ruth Bell, 30th July 2021</i>)</li> </ul> </li> <li>▪ The scheme will effectively address and reduce the above identified inequalities by providing mental health support in a key area of mental health inequality and deprivation which will address health inequality as part of the wider determinants of health. Outcomes from funding provision for the mental health hub will be provided and the outcomes are proposed to include addressing ongoing mental health concerns so as to reduce numbers of people requiring clinical interventions.</li> </ul>
	<p><b>Appropriateness</b> (Subsidy Control Principle E)</p> <ul style="list-style-type: none"> <li>▪ <i>Justify why a subsidy is the most appropriate instrument for</i></li> </ul> <p>This subsidy scheme is the most appropriate instrument for Tendring District Council to use to address the identified issues such as poor mental health. The main services offered in terms of mental health support are based in the second most deprived ward in Tendring where Pier Ward is the 14<sup>th</sup> most deprived ward in England and so requires support to address health inequalities (<i>Page 62 Essex County Council Changes in the Index of Multiple Deprivation for</i></p>

	<p><i>addressing the identified policy objective and why other instruments have been set aside such as regulation, direct provision of the good or service by the authority, or loans or equity investment on commercial terms</i></p>	<p>Essex: IMD 2019) and has significantly worsened from the previous figures.</p> <p>Citizens Advice Tendring have extended experience and existing provision around mental health support within Pier Ward and have access to partner funding to deliver the mental health hub work.</p> <p>This type of work is outside the scope of the provision that the Council would usually provide. The Council does not provide direct mental health services and does not have the skills to be able to deliver these services.</p> <p>Therefore the services provided through use of the funding are bespoke to the capabilities of the organisation for example through the employment of qualified individuals for the provision of mental health support.</p> <p>The mental health hub is also supported by three other organisations which provide match funding and the service could not be provided without this.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Step 2</b></p>	<p><b>Baseline no-subsidy scenario</b> (Subsidy Control Principles C &amp; D)</p> <ul style="list-style-type: none"> <li>▪ <i>Set out the future scenario – over both the short and the long-term – In the absence of the subsidy</i></li> </ul>	<p>The absence of a subsidy scheme may impact on the effective delivery of Tendring District Council's corporate priorities and in particular in relation to promoting health within the Corporate Plan.</p> <p>The Council is also an active member of the North East Essex Health and Wellbeing Alliance which brings wider partners together to address health and wellbeing issues and whose priorities include investing in prevention and work to reduce inequalities within and between local communities. As part of this Alliance the Council helps fund the Mental Health Hub along with other partners in the Alliance.</p> <p>Without this scheme, a service to improve people's mental health in one of the most deprived areas in the country will be removed which helps prevent people from having to access acute settings. This is likely to increase the numbers of people which need higher level services and as the mental health hub also provides volunteering opportunities as a first step to employment there is the potential that some support mechanisms to help deal with root causes of mental health will be removed.</p> <p>Not providing this funding may prevent Citizen's Advice Tendring from being able to continue their work or to be able to keep up with the growing level of demand for their services following the impact of the pandemic and the cost of living crisis. This would affect any progress to improve outcomes in the areas of inequality identified above.</p>

	<p><b>Additionality Assessment</b> (Subsidy Control Principles C &amp; D)</p> <p><i>For schemes, please provide details of how it has been designed to exclude any groups of beneficiaries where it can be reasonably determined in advance that there is unlikely to be additional benefits that wouldn't have otherwise happened in the absence of the subsidy. Please provide appropriate justification where it has not been possible/reasonable to identify and exclude these groups.</i></p>	<p>To receive this funding Citizen's Advice Tendring have to be able to show that they have applied and secured match funding for the mental health hub. This demonstrates that the applicant has explored alternative funding opportunities and that additional support from the Council is necessary in order to be able to deliver their proposed work in its entirety and that without this support, the work would not be able to commence. This provides reassurance that this subsidy scheme will be providing beneficial support that would otherwise not have been available.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Step 3</b></p>	<p><b>Proportionality and Minimising Distortion</b> (Subsidy Control Principle B &amp; F)</p> <ul style="list-style-type: none"> <li>▪ <i>Demonstrate how the subsidy is proportionate and has been designed to minimise any negative effects on competition and investment within the UK whilst still allowing it to meet the policy objective. This should include details how you have considered the following subsidy characteristics (where relevant):</i> <ul style="list-style-type: none"> <li>○ <i>The nature of the instrument</i></li> <li>○ <i>The breadth of beneficiaries and the selection process</i></li> <li>○ <i>The size of the subsidy</i></li> </ul> </li> </ul>	<p>The subsidy scheme is designed so that funding can be provided to an organisation that is a trusted organisation in the community, which residents regularly access for support and is located close to areas of significant deprivation. In addition it has access to significant match funding which delivers outcomes aligned with the Council's corporate objectives and aligns with Alliance objectives which the Council is part of.</p> <p>The organisation receiving the funds also has to be able to demonstrate significant experience in terms of delivering mental health support work and be able to undertake this work competently.</p> <p>Due to the specific requirements required of the work in terms of trusted local organisation with relevant experience and highly accessible this is unlikely to adversely affect competition locally.</p> <p>Although the breadth of beneficiaries is restricted to one this is based on the organisation's standing and trusted nature in the community which residents routinely access and can demonstrate the potential of attracting match funding and can demonstrate delivery over an extended period.</p> <p>The subsidy is provided for one year to cover provision of a mental health hub which provides professional advice, support and a volunteering opportunity to help resolve individual's mental health issues.</p> <p>The recipient must provide a report on the progress of their funded work on a regular basis and have monitoring, evaluation and clear outcomes as part of their delivery. The monitoring and evaluation carried out must provide evidence of success achieved against the outcomes and case studies. This provides evidence that the subsidy has had a positive impact on the ability of the organisation to deliver</p>

	<ul style="list-style-type: none"> <li>○ <i>The timespan over which the subsidy is given</i></li> <li>○ <i>The nature of the costs being covered</i></li> <li>○ <i>The performance criteria</i></li> <li>○ <i>Ringfencing</i></li> </ul> <p><i>Monitoring and evaluation</i></p>	<p>community work in Tendring that it otherwise would not have had the opportunity to do.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);"><b>Step 4</b></p>	<p><b>Balancing Exercise</b> (Subsidy Control Principle G)</p> <ul style="list-style-type: none"> <li>▪ <i>Set out details of the expected benefits of the subsidy (as they relate to the specified public policy objective) and its anticipated negative effects, including in particular any negative effects on competition and investment within the UK, and international trade and investment. This should also include any geographical and distributional impacts. Justify why the negative effects are outweighed.</i></li> </ul> <p><i>Please note that it will not always be possible to quantify every element of the assessment, and therefore the balancing exercise may need to include both quantitative and qualitative elements.</i></p>	<p>The expected benefits of the subsidy will be to ensure people are supported in terms of their mental health which will provide the ability to be seen by a professional, receive signposting and access volunteering as a precursor to employment.</p> <p>Although there are no significant obvious negative impacts the funding is currently offered on a year by year basis so there may be a reduction in service if further funding is not allocated. As there is need in the community currently the positive impacts of this subsidy will outweigh any negative impacts.</p> <p>Any negative impacts on competition are limited as this needs to be a particular organisation undertaking this work and there are no other local organisations that could fit this remit. Therefore any negative impacts are outweighed by the positive impact that the subsidy scheme can have.</p> <p>As it is unlikely that another provider is in a position to provide these services on a local basis as a trusted provider by the community and it will help address the poor mental health conditions and health inequalities in the area it is appropriate to provide the subsidy.</p>