



General Conditions

1. Title

The English Aid for Cultural and Heritage Conservation State Aid Scheme (the “Scheme”)

2. Member State

United Kingdom

3. Regions

East Midlands;
Eastern;
London;
North East;
North West;
South East;
South West;
West Midlands; and
Yorkshire and the Humber

4. Organisations permitted to award aid under the Scheme

The Department for Communities and Local Government

5. Legal Basis

Aid under the Scheme may be awarded in accordance with the relevant terms and conditions of the General Block Exemption Regulation 2014-2020 (“GBER”). Each award must comply with the General Conditions of the Scheme and the relevant Specific Condition(s).

6. UK legal authority to award aid

The Department for Communities and Local Government is authorised to award aid under domestic law, including:

- The European Communities Act 1972;
- The Local Government, Planning and Land Act 1980;
- The Leasehold Reform, Housing and Urban Development Act 1993;
- The Local Government Act 2000;
- The Public Contracts Regulations SI 2006 No 5;
- The Local Government Act 2007;
- The Housing and Regeneration Act 2008; and
- The European Communities (Finance) Act 2008

7. Duration

From 1.7.2014 to 31.12.2020

8. Forms of aid

Awards under the Scheme may take the form of:-

- Grants;

- Loans below the reference rate; and
- Repayable advances.

9. Incentive Effect

All awards under the Scheme must demonstrate the 'incentive effect' in accordance with the requirements of the GBER.

This may involve the submission of documents to the funder prior to the award of funding.

10. Reporting

All awards are conditional upon the recipient providing suitable information to meet GBER reporting requirements set out in the GBER.

11. Cumulation

Aid awarded under the Scheme may only be cumulated with other awards of State Aid where these relate to different eligible costs.

12. Budget

In any calendar year the Scheme shall not be used to provide awards which cumulatively exceed €125 million (around £99m). This sum is provided for State Aid purposes only and does not reflect a committed government budget.

13. Funding

The awards of aid provided under the Scheme may come from EU structural funds and state funds.

All awards of funding must identify the relevant regulation used to award funding, these are listed under specific conditions.

14. Primacy

In the event that any part of this scheme is inconsistent with the GBER, the provisions of GBER shall prevail.

15. Contact

Questions about this scheme should be directed to the State Aid Policy Network, c/o ERDF Policy Unit, The Department for Communities and Local Government, Fry Building, 2 Marsham Street, London, SW1P 4DF.

Specific Conditions

1. Name

Aid for Culture and Heritage Conservation

2. Eligible costs:-

For investment aid, the eligible costs shall be the investment costs in tangible and intangible assets, including:-

- (a) Costs for the construction, upgrade, acquisition, conservation or improvement of infrastructure, if at least 80 % of either the time or the space capacity per year is used for cultural purposes;
- (b) Costs for the acquisition, including leasing, transfer of possession or physical relocation of cultural heritage;
- (c) Costs for safeguarding, preservation, restoration and rehabilitation of tangible and intangible cultural heritage, including extra costs for storage under appropriate conditions, special tools, materials and costs for documentation, research, digitalisation and publication;
- (d) Costs for improving the accessibility of cultural heritage to the public, including costs for digitisation and other new technologies, costs to improve accessibility for persons with special needs (in particular, ramps and lifts for disabled persons, braille indications and hands-on exhibits in museums) and for promoting cultural diversity with respect to presentations, programmes and visitors;
- (e) Costs for cultural projects and activities, cooperation and exchange programmes and grants including costs for selection procedures, costs for promotion and costs incurred directly as a result of the project.

For operating aid, the eligible costs shall be the following:

- (a) The cultural institution's or heritage site's costs linked to continuous or periodic activities including exhibitions, performances and events and similar cultural activities that occur in the ordinary course of business;
- (b) Costs of cultural and artistic education activities as well as promotion of the understanding of the importance of protection and promotion of the diversity of cultural expressions through educational and greater public awareness programs, including with the use of new technologies;
- (c) Costs of the improvement of public access to the cultural institution or heritage sites and activities including costs of digitisation and of use of new technologies as well as costs of improving accessibility for persons with disabilities;
- (d) Operating costs directly relating to the cultural project or activity, such as rent or lease of real estate and cultural venues, travel expenses, materials and supplies directly related to the cultural project or activity, architectural structures for exhibitions and stage sets, loan, lease and depreciation of tools, software and equipment, costs for access rights to copyright works and other related intellectual property rights protected contents, costs for promotion and costs incurred directly as a result of the project or activity; depreciation charges and the costs of financing are only eligible if they have not been covered by investment aid;
- (e) Costs for personnel working for the cultural institution or heritage site or for a project;
- (f) Costs for advisory and support services provided by outside consultants and service providers, incurred directly as a result of the project.

3. Aid intensity

Aid Measure	Maximum % aid intensity levels for:			Notification thresholds (€)
	Large Enterprises	Medium Enterprises	Small Enterprises	
<u>GBER Article 53:</u> Aid for culture and heritage conservation and <u>GBER Article 4</u>	<p>For investment aid, the aid amount shall not exceed the difference between the eligible costs and the operating profit of the investment.</p> <p>For operating aid, the aid amount shall not exceed what is necessary to cover the operating losses and a reasonable profit over the relevant period.</p> <p>For aid not exceeding €1 million, the maximum amount of aid may be set, alternatively to the above, at 80% of eligible costs.</p>			<p>For investment aid: €100 million per project;</p> <p>For operating aid: €50 million per undertaking per year.</p>

4. Excluded undertakings

See GBER Article 1.

5. Other conditions

Aid Measure	Condition
<u>GBER Article 53, point 2</u>	<p>The aid shall be granted for the following cultural purposes and activities:</p> <p>(a) museums, archives, libraries, artistic and cultural centres or spaces, theatres, opera houses, concert halls, other live performance organisations, film heritage institutions and other similar artistic and cultural infrastructures, organisations and institutions;</p> <p>(b) tangible heritage including all forms of movable or immovable cultural heritage and archaeological sites, monuments, historical sites and buildings; natural heritage linked to cultural heritage or if formally recognized as cultural or natural heritage by the competent public authorities of a Member State;</p> <p>(c) intangible heritage in any form, including folklorist customs and crafts;</p> <p>(d) art or cultural events and performances, festivals, exhibitions and other similar cultural activities;</p> <p>(e) cultural and artistic education activities as well as promotion of the understanding of the importance of protection and promotion of the diversity of cultural expressions through educational and greater public awareness programs, including with the use of new technologies;</p> <p>(f) writing, editing, production, distribution, digitisation and publishing of music and literature, including translations.</p>
<u>GBER Article 53, point 3</u>	<p>The aid may take the form of:</p> <p>(a) investment aid, including aid for the construction or upgrade of culture infrastructure;</p> <p>(b) operating aid.</p>
<u>GBER Article 53, point 9</u>	<p>For publishing of music and literature as defined in point 2(f), the maximum aid amount shall not exceed either the difference between the eligible costs and the project's discounted revenues or 70 % of the eligible costs. The revenues shall be deducted from the eligible costs ex ante or through a clawback mechanism. The eligible costs shall be the costs for publishing of music and literature, including the authors' fees (copyright costs), translators' fees, editors' fees, other editorial costs (proofreading, correcting, reviewing), layout and pre-press costs and printing or e-publication costs.</p>

<u>GBER Article 53.</u> <u>point 10</u>	Aid to press and magazines, whether they are published in print or electronically, shall not be eligible under GBER Article 53.
----------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------

Specific Conditions

1. Name

Aid schemes for audio-visual works

2. Eligible costs

The eligible costs shall be:-

- (a) For production aid: the overall costs of production of audio-visual works including costs to improve accessibility of persons with disabilities;
- (b) For pre-production aid: the costs of script-writing and the development of audio-visual works;
- (c) For distribution aid: the costs of distribution and promotion of audio-visual works.

3. Aid intensity

Aid Measure	Maximum % aid intensity levels for:			Notification thresholds (€)
	Large Enterprises	Medium Enterprises	Small Enterprises	
<u>Article 54:</u> Aid schemes for audio-visual works and <u>GBER Article 4</u>	<p>50% of eligible costs.</p> <p>The aid intensity may be increased to 60% of eligible costs for cross border productions funded by more than one Member State and involving producers from more than one Member State.</p> <p>The aid intensity may be increased to 100% of the eligible costs for difficult audio-visual works and co-productions involving countries from the Development Assistance Committee List of the OECD.</p>			€50 million per scheme per year.

4. Excluded undertakings

See GBER Article 1.

5. Other conditions

Aid Measure	Condition
<u>GBER Article 54, point 2</u>	Aid shall support a cultural product. To avoid manifest errors in the qualification of a product as cultural, each Member State shall establish effective processes, such as selection of proposals by one or more persons entrusted with the selection or verification against a predetermined list of cultural criteria.
<u>GBER Article 53, point 3</u>	Aid may take the form of: (a) aid to the production of audiovisual works; (b) pre-production aid; and (c) distribution aid.
<u>GBER Article 53, point 4</u>	Where a Member States makes the aid subject to territorial spending obligations, aid schemes for the production of audiovisual works may either: (a) require that up to 160 % of the aid granted to the production of a given audiovisual

	<p>work is spent in the territory of the Member State granting the aid; or</p> <p>(b) calculate the aid granted to the production of a given audiovisual work as a percentage of the expenditure on production activities in the granting Member State, typically in case of aid schemes in the form of tax incentives.</p> <p>In both cases, if a Member States requires a minimum level of production activity in the territory concerned for projects to be eligible for aid, that level shall not exceed 50 % of the overall production budget. In addition, the maximum expenditure subject to territorial spending obligations shall in no case exceed 80 % of the overall production budget.</p>
<u>GBER Article 53, point 8</u>	The aid intensity for pre-production shall not exceed 100 % of the eligible costs. If the resulting script or project is made into an audiovisual work such as a film, the pre-production costs shall be incorporated in the overall budget and taken into account when calculating the aid intensity. The aid intensity for distribution shall be the same as the aid intensity for production.
<u>GBER Article 53, point 9</u>	Aid shall not be reserved for specific production activities or individual parts of the production value chain. Aid for film studio infrastructures shall not be eligible under GBER Article 53.
<u>GBER Article 53, point 10</u>	Aid shall not be reserved exclusively for nationals and beneficiaries shall not be required to have the status of undertaking established under national commercial law.