



General Conditions

1. Title

The English Aid for SMEs 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

Investment aid to SMEs

2. Eligible costs

The eligible costs shall be either or both of the following:-

- (a) The costs of investment in tangible and intangible assets;
- (b) The estimated wage costs of employment directly created by the investment project, calculated over a period of two years.

In order to be considered an eligible cost, an investment shall meet the criteria set out in GBER Article 17, point 3. Intangible assets shall fulfil the conditions set out in GBER Article 17, point 4.

3. Aid intensity

Aid Measure	Maximum % aid intensity levels for:			Notification thresholds (€)
	Large Enterprises	Medium Enterprises	Small Enterprises	
<u>GBER Article 17: Investment aid to SMEs</u> <u>and GBER Article 4</u>	Not applicable.	10% of the eligible costs.	20% of the eligible costs.	€7.5 million per undertaking per investment project.

4. Excluded undertakings

See GBER Article 1.

5. Other conditions

Aid Measure	Condition
<u>GBER Article 17, point 5</u>	Employment directly created by an investment project shall fulfil the following conditions: (a) it shall be created within three years of completion of the investment; (b) there shall be a net increase in the number of employees in the establishment concerned, compared with the average over the previous 12 months; (c) it shall be maintained during a minimum period of three years from the date the post was first filled.

Specific Conditions

1. Name

Aid for consultancy in favour of SMEs

2. Eligible costs

The eligible costs shall be the costs of consultancy services provided by external consultants.

3. Aid intensity

Aid Measure	Maximum % aid intensity levels for:			Notification thresholds (€)
	Large Enterprises	Medium Enterprises	Small Enterprises	
<u>GBER Article 18:</u> Aid for consultancy in favour of SMEs and <u>GBER Article 4</u>	Not applicable.	50% of the eligible costs.	50% of the eligible costs.	€2 million per undertaking, per project.

4. Excluded undertakings

See GBER Article 1.

5. Other conditions

Aid Measure	Condition
<u>GBER Article 18, point 4</u>	The services concerned shall not be a continuous or periodic activity nor relate to the undertaking's usual operating costs, such as routine tax consultancy services, regular legal services or advertising.

Specific Conditions

1. Name

Aid for SME participation in fairs

2. Eligible costs

The eligible costs shall be the costs incurred for renting, setting up and running the stand for the first participation of an undertaking in any particular fair or exhibition.

3. Aid intensity

Aid Measure	Maximum % aid intensity levels for:			Notification thresholds (€)
	Large Enterprises	Medium Enterprises	Small Enterprises	
<u>GBER Article 19:</u> Aid for SME participation in fairs and <u>GBER Article 4</u>	Not applicable.	50% of the eligible costs.	50% of the eligible costs.	€ 2 million per undertaking, per year.

4. Excluded undertakings

See GBER Article 1.

5. Other conditions

None.

Specific Conditions

1. Name

Aid for cooperation costs incurred by SMEs participating in European Territorial Cooperation ("ETC") projects

2. Eligible costs

The eligible costs shall be:-

- (a) Costs for organisational cooperation including cost for staff and offices to the extent that it is linked to the cooperation project;
- (b) Costs of advisory and support services linked to cooperation and delivered by outside consultants and service providers;
- (c) Travel expenses, costs of equipment and investment expenditure directly related to the project, depreciation of tools and equipment, to the extent that they are used exclusively for the project.

The services referred to in paragraph (b) above shall not be a continuous or periodic activity nor relate to the undertaking's usual operating costs, such as routine tax consultancy services, regular legal services or routine advertising.

3. Aid intensity

Aid Measure	Maximum % aid intensity levels for:			Notification thresholds (€)
	Large Enterprises	Medium Enterprises	Small Enterprises	
<u>GBER Article 20:</u> Aid for cooperation costs incurred by SMEs participating in ETC projects and <u>GBER Article 4</u>	Not applicable.	50% of the eligible costs.	50% of the eligible costs.	€2 million per undertaking, per project.

4. Excluded undertakings

See GBER Article 1.

5. Other conditions

None.