THE ARTS COUNCIL ENGLAND STATE AID SCHEME

Background

Under the Royal Charter dated the thirtieth day of March 1994 (as amended in 2008, 2011 and 2013) the Arts Council England has the power to award grants and loans in furtherance of its objects.

This General Block Exemption Scheme has been set up to enable Arts Council England to make and receive awards of State aid with the relevant Chapter III exemptions contained within the General Block Exemption Regulations 651/2014 (“GBER”) listed below.

The figures listed are indicative only and do not necessarily reflect an available budget.

General Conditions

1. **Title**

   The Arts Council England State Aid Scheme (the *Scheme*)

2. **Member State**

   United Kingdom

3. **Regions**

   England

4. **Granting Authority**

   The Arts Council England

5. **Legal Basis**

   Aid under the Scheme may be awarded whenever it meets the GBER.

   The Arts Council England has the power to make awards of grant under the Royal Charter dated the thirtieth day of March 1994 (as amended in 2008, 2011 and 2013)

6. **Duration**

   Aid awarded from 01/03/2017 to 31/12/2020.

7. **Economic sectors eligible**
All sectors are eligible to receive funding, other than those precluded under GBER.

8. **Beneficiary type**

Large, medium sized and small enterprises may receive aid under the Scheme.

9. **Total annual budget planned**

In any calendar year the Scheme shall not be used to provide awards which cumulatively exceed £40 million per annum. For the avoidance of doubt, this figure does not reflect a committed budget, but instead is the total amount which may be allocated under the Scheme for State Aid law purposes. Aggregate awards made may be considerably less than this amount.

10. **Types of aid funding**

   It is anticipated that the following types of aid will be awarded under the Scheme:

   Direct grant;
   Equity; and
   Interest rate subsidy

11. **Co-financing with EU Funds**

   It is not expected that the Scheme will be used to co-finance with EU Funds, but the Arts Council England reserve the right to declare EU funds, including European Structural and Investment Funds, under this Scheme.

12. **Incentive Effect**

   An award shall only have cover under the Scheme if it meets the relevant incentive effect requirements (which may involve the submission of documents to the Granting Authority prior to the funding award) under the GBER.

13. **Cumulation**

   Aid awarded under the Scheme may only be cumulated with other awards of State Aid where this is consistent with the provisions of GBER.

14. **Primacy**

   If any part of this Scheme is inconsistent with GBER, the provisions of GBER shall prevail.

**Specific Conditions**
1. **Scope**

The Scheme covers all the GBER categories set out in the table below.

2. **Eligible Costs**

The eligible costs shall in relation to each primary objective be those that meet the criteria set out in GBER in respect of such primary objective.

3. **Aid Intensity**

The aid intensity applicable to the aid measures listed in the primary objectives column in the table below shall be as set out in the relevant specific condition of the GBER.

4. **Excluded Undertakings**

See GBER Article 1 and the GBER Article relevant to each aid measure.

5. **Reporting**

Any recipient of aid under the Scheme agrees to provide sufficient information to the Arts Council England, upon request, to enable the reporting requirements to be met.

<table>
<thead>
<tr>
<th>Primary Objective/General Objectives</th>
<th>Max aid intensity in % or max annual aid amount in national currency</th>
<th>SME-bonuses in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional aid- Investment aid (Art.14)</td>
<td>10% -15% (although a small number of areas of the UK are subject to higher assisted area intervention rates)</td>
<td>20% (small) 10% (medium)</td>
</tr>
<tr>
<td>Fundamental research (Art. 25(2)(a))</td>
<td>100%</td>
<td>20% (small) 10% (medium)</td>
</tr>
<tr>
<td>Industrial research (Art. 25(2)(b))</td>
<td>50%</td>
<td>20% (small) 10% (medium)</td>
</tr>
<tr>
<td>Experimental development (Art. 25(2)(c))</td>
<td>25%</td>
<td>20% (small) 10% (medium)</td>
</tr>
<tr>
<td>Feasibility studies (Art. 25(2)(d))</td>
<td>50%</td>
<td>20% (small) 10% (medium)</td>
</tr>
<tr>
<td>Training Aid (Art. 31)</td>
<td>50%</td>
<td>20% (small) 10% (medium)</td>
</tr>
<tr>
<td>Investment aid for the promotion of energy from renewable sources (Art. 41)</td>
<td>50% (investments located in (c) assisted areas)</td>
<td>20% (small) 10% (medium)</td>
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<tr>
<td>------------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>--------------------------</td>
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<tr>
<td>Operating aid for the promotion of electricity from renewable sources (Art. 42)</td>
<td>30 – 45%</td>
<td>20% (small) 10% (medium)</td>
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<tr>
<td>Aid for culture and heritage conservation (Art. 53)</td>
<td>100%</td>
<td></td>
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<tr>
<td>Aid for sport and multifunctional re-creation of infrastructures (Art. 55)</td>
<td>100%</td>
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<tr>
<td>Investment Aid for local infrastructures (Art. 56)</td>
<td>100%</td>
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</tr>
</tbody>
</table>

6. **Conditions**

The Arts Council England reserves the right to add further conditions to any award made using this Scheme.

7. **State Aid beneficiary commitments**

Any organisation which receives State Aid cover under the Scheme agrees:

(a) to use reasonable endeavours assist the Arts Council England in the event of an investigation into the Scheme; and

(b) to undertake their own assessment of the funding to ensure that they meet the terms and conditions of the relevant State Aid regulations.