

# Welsh Local Government Training Support Scheme



## State aid reference no:

1. **Member State**

United Kingdom

2. **Region**

Wales

3. **Title of aid Scheme**

Welsh Local Government Training Support Scheme

4. **UK legal basis**

Local Government Act 2000 C22 Part 1

5. **EC legal basis**

All aid provided under this Scheme will be within the limits set out in Articles 38 and 39 of Commission Regulation (EC) 800/2008 (General Block Exemption Regulation)<sup>1</sup>

Summary information relating to the Scheme has been registered with the Commission under reference X97/2009.

6. **Definitions**

In this Scheme, the following expressions have the meanings assigned below:

“**SME**” means an enterprise that falls within the criteria and parameters of the definition of micro, small and medium-sized enterprises contained in the

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<sup>1</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:214:0003:0047:EN:PDF>

Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (2003/361/EC), which took effect on 1 January 2005 <sup>2</sup>

**“Large enterprise”** means any enterprise that is not an SME

**“General training”** means training involving tuition which is not applicable only or principally to the employee’s present or future position in the assisted enterprise, but which provides qualifications that are largely transferable to other enterprises or fields of work. Training shall be considered ‘general’ if, for example:

- it is jointly organised by different independent enterprises, or if employees of different enterprises can attend the training; or
- It is recognised, certified or validated by public authorities or by bodies or institutions on which the United Kingdom has conferred the necessary powers.

**“Specific training”** means training involving tuition directly and principally applicable to the employee’s present or future position in the assisted enterprise and providing qualifications which are not or only to a limited extent transferable to other enterprises or fields of work.

**“Disadvantaged worker”** means any person who:

- has not been in regular paid employment for the previous 6 months;
- has not attained an upper secondary educational or vocational qualification (A level or equivalent);
- is over the age of 50;
- lives as a single adult with one or more dependents;
- works in a sector or profession where the gender imbalance is at least 25% higher than the average gender imbalance across all sectors and belongs to that underrepresented gender group; or
- is a member of an ethnic minority who requires development of his or her linguistic, vocational training or work experience profile to enhance prospects of gaining stable employment.

**“Disabled worker”** means any person:

- recognised as disabled under national law; or

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<sup>2</sup> [http://europa.eu/eur-lex/pri/en/oj/dat/2003/l\\_124/l\\_12420030520en00360041.pdf](http://europa.eu/eur-lex/pri/en/oj/dat/2003/l_124/l_12420030520en00360041.pdf)

See also the New SME Definition User Guide and Model Declaration

[http://ec.europa.eu/enterprise/enterprise\\_policy/sme\\_definition/sme\\_user\\_guide.pdf](http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/sme_user_guide.pdf)

- having a recognised limitation which results from physical, mental or psychological impairment.

## **7. Objective of the Scheme**

The aim of the Scheme is to allow local authorities in Wales to provide support to enterprises in Wales to actively encourage them to invest in training.

This Scheme only applies to support to enterprises that constitutes State aid. The following activities fall outside the scope of the Scheme as funding provided to enterprises to carry out these activities does not generally constitute State aid:

- Initial training schemes such as modern apprenticeships and day release schemes;
- Traineeships for unemployed people in enterprises;
- Provision of basic skills (basic literacy and numeracy skills) to employees; and
- Aid targeted at employees for training unconnected with their work place.

Local Authorities in Wales have a key role to play in supporting SMEs, thus contributing to securing a strong SME base to ensure that the economy of Wales grows and prospers in line with other Member States. In particular local authorities support business start-ups, SME investment and growth, SME diversification, SME adaptation to changing circumstances and support the conversion of business premises to meet modern requirements.

The principles of the Scheme are in line with the guiding principles of the Commission's State Aid Action Plan to provide less and better targeted aid.

## **8. Government body authorised to implement the Scheme**

Local Authorities in Wales - Blaenau Gwent County Borough Council, Bridgend County Borough Council, Caerphilly County Borough Council, City and County of Cardiff, Carmarthenshire County Council, Ceredigion County Council, Conwy County Borough Council, Denbighshire County Council, Flintshire County Council, Gwynedd Council, Isle of Anglesey County Council, Merthyr Tydfil County Borough Council, Monmouthshire County Council, Neath Port Talbot County Borough Council, Newport City Council, Pembrokeshire County Council, Powys County Council, Rhondda Cynon Taf County Borough Council, City and County of Swansea, Torfaen County Borough Council, Vale of Glamorgan Council and Wrexham County Borough Council.

## **9. Scope of the Scheme**

The Scheme will be open to all enterprises in Wales.

Aid will not be allowed for the following activities:

- aid to export related activities, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current costs linked to the export activity; or
- aid contingent upon the use of domestic over imported goods.

Aid may not be given where the proposed recipient of the aid is:

- subject to an outstanding order for the recovery of aid which has been declared by the Commission to be illegal and incompatible with the common market; or
- “a firm in difficulty” within the meaning of Chapter 2 of the Community guidelines on State aid for rescuing and restructuring firms in difficulty (OJ C 244, 1.10.2004, p.2).

## **10. Duration of the Scheme**

Aid under this Scheme may be granted until 31<sup>st</sup> December 2013.

## **11. Form of aid**

All aid awarded under the Scheme will be transparent and in line with criteria set out in Article 5 of the General Block Exemption Regulation. Aid may be awarded as follows:

- grants;
- interest rate subsidies;
- loans and
- repayable advances.

## **12. Eligible costs**

The costs of the project must be transparent and directly and exclusively related to the project. The relevant eligible costs are as follows:

- trainers' personnel costs;
- trainers' and trainees' travel expenses, including accommodation,
- other current expenses such as materials and supplies directly related to the project;
- depreciation of tools and equipment used exclusively for the training project;

- costs of guidance and counselling services with regard to the training project; and
- trainees' personnel costs and general indirect costs (administrative costs, rent, overheads) up to the total of the other eligible costs. Only costs relating to the hours the trainee actually participates in the training will be taken into consideration.

### 13. Aid intensities

The aid intensity shall not exceed the following percentages of the eligible costs:

	<b>Small enterprise</b>	<b>Medium enterprise</b>	<b>Large enterprise</b>
<b>General Training</b>	80%	70%	60%
<b>Specific Training</b>	45%	35%	25%

These aid intensities can be increased by 10% (up to a maximum of 80% of eligible costs) if the training is given to disabled or disadvantaged workers as defined above (see paragraph 6 above).

Where the training project involves both specific and general training, or where the specific or general components cannot be established, the specific training aid intensities will apply.

Aid awarded under this Scheme will be granted up to a maximum of €2m per enterprise per project. Any award of aid in excess of this amount will require direct notification to the European Commission.

### 14. Incentive effect

Aid recipients must demonstrate that the aid is required for projects to proceed. Funding will not be awarded where the activity has already started before an application for support is made.

In addition aid will not be awarded to large enterprises unless the enterprise can establish that, if the aid is awarded, one or more of the following criteria will be met:

- a material increase in the size of the project/activity;
- a material increase in the scope of the project/activity;
- a material increase in the total amount spent by the enterprise on the project/activity;
- a material increase in the speed of completion of the project/activity concerned.

## **15. Cumulation**

In determining whether the individual notification thresholds and the maximum aid intensities are respected, the total amount of public support for the activity or project shall be taken into account, regardless of whether that support is financed from local, regional, national or Community sources.

Aid provided under this Scheme will not be cumulated with other forms of aid nor with aid classed as de minimis aid<sup>3</sup> in regard to the same eligible costs if the result would breach the aid intensities set out above.

## **16. Budget**

£6 million per annum

## **17. Monitoring and reporting requirements**

All recipients of aid under the Scheme will be informed that aid has been provided under the Scheme, registered under xx/xxxx, pursuant to Articles 38 & 39 of Commission Regulation (EC) No 800/2008 (General Block Exemption Regulation).

Records will be kept for 10 years from the date of the last award of aid under the Scheme. Records will be sufficiently detailed to establish that the conditions of the Scheme are met, to include confirmation of enterprise status (SME/large), type of training delivered, eligibility of supported costs and, where appropriate, categorisation of disabled/disadvantaged workers.

An annual report on the expenditure under this Scheme will be provided to the Commission.

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<sup>3</sup> Aid fulfilling the conditions laid down in Commission Regulation (EC) No 1998/2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:379:0005:0010:EN:PDF>