

Welsh Government State Aid Unit

How to use the Disabled and Disadvantaged Workers Support Scheme

Version 1 – April 2015

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How to use the GBER Disabled and Disadvantaged Workers Support Scheme

This document provides practical guidance on how to use a General Block Exemption Regulation (GBER) Disabled and Disadvantaged Workers Support scheme. This guide is not a summary of the GBER. This guidance will be most relevant to Welsh Government officials, local authorities, and companies receiving Disabled and Disadvantaged Worker Support.

This guide is not a substitute for legal advice which should be sought in individual cases. The guidance is accurate at the date of publication but please note that the law is subject to constant change.

A full version of the Regulation can be found at:

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.187.01.0001.01.ENG

A summary of the GBER can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/325465/bis-14-943-state-aid-general-block-exemption-guidance.pdf

IMPORTANT – you should use this guide in conjunction with the full version of the GBER and the registration documentation applicable to your scheme.

Background

The ‘Support for the Employment of Disabled and Disadvantaged Workers’ provisions of the GBER can be used by public authorities to provide incentives to Welsh businesses to recruit and retain disadvantaged or disabled workers. This type of State aid is allowed because the European Commission considers that it will help to address the difficulties faced by certain categories of disabled or disadvantage workers in entering the labour market. The overall aim of the scheme is to support the re-entry of disadvantaged and disabled workers into the job market and to help boost employment levels.

Terminology explained....

By ‘Disabled Worker’ we mean any person who:

- a) is recognised as worker with disabilities under national law; or
- b) has long-term physical, mental, intellectual or sensory impairment(s) which, in interaction with various barriers, may hinder their full and effective participation in a work environment on an equal basis with other workers;

By ‘Disadvantaged Worker’ we mean any person who:

- a) Has not been in regular paid employment for the previous 6 months; or

- b) is between 15 and 24 of age; or
- c) has not attained an upper secondary educational or vocational qualification (International Standard Classification of Education 3) or is within two years of completing full-time education and who has not previously obtained his or her first regular paid employment; or
- d) is over the age of 50 years; or
- e) lives as a single adult with one or more dependants; or
- f) works in a sector or profession in a Member State where the gender imbalance is at least 25% higher than the average gender imbalance across all economic sectors in that Member State, and belongs to that under-represented gender group; or
- g) is a member of an ethnic minority within a Member State and who requires development of his or her linguistic, vocational training or work experience profile to enhance prospects of gaining access to stable employment.

By “Severely disadvantaged worker” we mean any person who:

- a) Has not been in regular paid employment for at least 24 months; or
- b) has not been in regular employment for at least 12 months and belongs to one of the categories (b to g) mentioned in the definition of a disadvantaged worker.

Using the GBER Support for Employment of Disabled and Disadvantaged Workers scheme

To run a GBER Support for Employment of Disadvantaged Workers scheme the correct procedures must be put in place.

Step 1 – Check that GBER provisions apply

Is the support to aid the recruitment of disadvantaged workers in the form of wage subsidies?

Is the support to aid the employment of workers with disabilities in the form of wage subsidies?

Is the support to compensate for the additional costs of employing workers with disabilities?

If you have answered yes to any of the scenarios above then it is likely that the GBER Support for Disabled and Disadvantaged Workers provisions will apply.

Step 2 – Identify the right State aid registration

Every GBER Employment for Disabled/Disadvantaged Aid Scheme must be registered with the Commission.

If you work for the Welsh Government (or are running a scheme on behalf of the Welsh Government) you can use the following registration:

SA.39645	Welsh Government Support for Employment Scheme (Disabled/Disadvantaged worker)	http://gov.wales/topics/businessanddeconomy/stateaid/schemes/2014-employment/?lang=en
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You do not need to register a new scheme.

If neither of these registrations apply to you, then you will need to register a scheme. The State Aid Unit can help you with this process. Email the State aid mailbox: state.aid@wales.gsi.gov.uk

Step 3 – Make sure that the support you want to give is compatible with all the conditions of the GBER

Support is only considered to be compatible State aid where it meets all the terms and conditions of the GBER, and therefore the registered scheme. Each investment will need to be checked against these terms. **Annex 1** of this document contains checklists that you can use to assist you.

Checklist A	Aid for the recruitment of disadvantaged workers in the form of wage subsidies
Checklist B	Aid for employment of workers with disabilities in the form of wage subsidies
Checklist C	Aid for compensating the additional costs of employing workers with disabilities
Checklist D	Aid for compensating the costs of assistance provided to disadvantaged workers

You will also need to keep supporting evidence to show that all the terms and conditions are met. This is because if the European Commission asks you will need to be able to show that the support you gave was compatible with the rules.

Step 4 – Is the support more than €500,000?

If the support you are providing is more than €500,000 the sterling equivalent should be calculated using the European Commission's exchange rate convertor, this can be found at:

http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm

Details of the investment will then be made available on a database that can be viewed by the general public. The European Commission has given Member States until June 2016 to implement this. You should collect the following information:

- Name of company receiving the support;
- The company's identifier;
- Type of company (small, medium or large) at time of granting;

- Region in which the company is located at NUTS 2 level (annex 2 – has a list of NUTS 2 Areas);
- Sector of activity at NACE group level – a list of NACE codes can be found at http://ec.europa.eu/competition/mergers/cases/index/nace_all.html
- Aid amount in sterling;
- Aid instrument (grant/Interest rate subsidy, loan, repayable advances/reimbursable grant, guarantee, tax advantage or exemption, risk finance, other (please specify);
- Date of granting the aid;
- Objective of the aid i.e. what will it be used for? What do you hope to achieve by granting the aid?
- Granting authority;
- Reference of the aid measure.

IMPORTANT – this will only apply to projects/investments where aid is given after the UK has developed a database. However, you should take steps to ensure that you have the necessary processes and procedures in place to collect the required information.

Step 5 – Check you are registered for annual return monitoring

Write to the Welsh Government’s State Aid Unit to tell them which registration you are using providing a contact name, telephone number and email address. The State Aid Unit need this information because they co-ordinate the annual return monitoring process for Wales. They need to have a contact for each organisation that is providing funding under a registered GBER scheme. The State aid email address is:

state.aid@wales.gsi.gov.uk

The Postal address is:

Sian Brown
State Aid Unit
Welsh Government
Cathays Park 2
Cardiff
CF10 3NQ

Annex 1- Checklist A - Aid for the recruitment of disadvantaged workers in the form of wage subsidies

Information about the company/enterprise assisted		
Confirm that the enterprise assisted is NOT in one of the following sectors:	<ul style="list-style-type: none"> Processing and marketing of agricultural products where: <ol style="list-style-type: none"> the amount of aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the SME concerned; or the aid is conditional on being partly or entirely passed on to the primary producers. 	
Confirm that the enterprise assisted is NOT subject to either of the following:	<ul style="list-style-type: none"> An outstanding order for the recovery of aid which has been declared by the Commission to be illegal and incompatible with the Common market; “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). 	
Information about the project		
Confirm that no work started on the project prior to the application.		
Confirm that the company submitted a written application including the following information before work started on the project: <ol style="list-style-type: none"> Name and size; Description of the project, including its start and end dates; Location of the project; List of project costs; Form of and amount of public funding needed for the project. 		
Confirm that the workers whose employment is to be supported meet the definitions of ‘Disadvantaged’ or ‘Severely Disadvantaged’ as outlined in the GBER.		
Confirm that the posts created result in a net increase in the number of employees compared to the previous 12 months or the post have become vacant as a result of voluntary departure, retirement on grounds of age, disability, voluntary reduction in worktime or lawful dismissal for misconduct.		
Confirm that the posts have not become vacant because of redundancy.		
Confirm that the disadvantaged worker will have continuous employment for a minimum period consistent with UK employment law.		
Information about the support		
Confirm that support is NOT for any of the following activities:	<ul style="list-style-type: none"> Export related activities; Aid contingent upon the use of 	

	<ul style="list-style-type: none"> domestic over imported goods; Aid to facilitate the closure of uncompetitive coal mines. 	
Confirm that the following restrictions do not apply:	<ul style="list-style-type: none"> Companies are required to have their headquarters in the UK or to be predominantly established in the UK; The Company is restricted to only exploiting the R&D&I results in the UK. 	
Confirm type of aid:	<ul style="list-style-type: none"> Grant; Interest rate subsidy; Loan; Repayable advance; Guarantee. 	
Information about eligible costs		
Confirm eligibility of supported costs:	Wage costs over a maximum period of 12 months following recruitment of a disadvantaged worker. Where the worker concerned is a severely disadvantaged worker, eligible costs are the wage costs over a maximum 24 month period following recruitment (this should be prorated if the employment period is for less).	
Confirm that no other aid has been given for the same eligible costs:	If this is the case, ensure cumulation of such aid given under the General Block Exemption Regulation does not exceed the highest aid intensity or aid amount applicable under the General Block Exemption Regulation.	
Information about aid intensities		
Confirm the total level of ALL public funding (including structural funds) awarded and that it is within the permitted intensity levels:	Up to 50% of costs	£ %
Information about notification thresholds		
Confirm that the aid is not more than €5 million per undertaking, per year. Any award of aid in excess of this amount will require direct notification to the European Commission.		
Information about reporting		
Confirm that if the aid is above €500,000 you have collected the following information to input (when required) on the Member State database:		

<ul style="list-style-type: none"> • Name of company receiving the support; • The company's identifier; • Type of company (small, medium or large) at time of granting; • Region in which the company is located at NUTS 2 level (annex 2 – has a list of NUTS 2 Areas); • Sector of activity at NACE group level – a list of NACE codes can be found at: http://ec.europa.eu/competition/mergers/cases/index/nace_all.html • Aid amount in sterling; • Aid instrument (grant/Interest rate subsidy, loan, repayable advances/reimbursable grant, guarantee, tax advantage or exemption, risk finance, other (please specify); • Date of granting the aid; • Objective of the aid i.e. what will it be used for? What do you hope to achieve by granting the aid? • Granting authority; • Reference of the aid measure. 	
<p>Confirm that you have provided contact name and information to state.aid@wales.gsi.gov.uk</p>	

Annex 1- Checklist B - Aid for employment of workers with disabilities in the form of wage subsidies

Information about the company/enterprise assisted		
Confirm that the enterprise assisted is NOT in one of the following sectors:	<ul style="list-style-type: none"> Processing and marketing of agricultural products where: <ol style="list-style-type: none"> the amount of aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the SME concerned; or the aid is conditional on being partly or entirely passed on to the primary producers. 	
Confirm that the enterprise assisted is NOT subject to either of the following:	<ul style="list-style-type: none"> An outstanding order for the recovery of aid which has been declared by the Commission to be illegal and incompatible with the Common market; “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). 	
Information about the project		
Confirm that no work started on the project prior to the application.		
Confirm that the company submitted a written application including the following information before work started on the project: <ol style="list-style-type: none"> Name and size; Description of the project, including its start and end dates; Location of the project; List of project costs; Form of and amount of public funding needed for the project. 		
Confirm that the workers whose employment is to be supported meet the definitions of ‘disabled as outlined in the GBER.		
Confirm that the posts created result in a net increase in the number of employees compared to the previous 12 months or the post have become vacant as a result of voluntary departure, retirement on grounds of age, disability, voluntary reduction in worktime or lawful dismissal for misconduct.		
Confirm that the posts have not become vacant because of redundancy.		
Confirm that the disabled worker will have continuous employment for a minimum period consistent with UK employment law.		
Information about the support		
Confirm that support is NOT for any of the following activities:	<ul style="list-style-type: none"> Export related activities; Aid contingent upon the use of domestic over imported goods; 	

	<ul style="list-style-type: none"> • Aid to facilitate the closure of uncompetitive coal mines. 	
Confirm that the following restrictions do not apply:	<ul style="list-style-type: none"> • Companies are required to have their headquarters in the UK or to be predominantly established in the UK; • The Company is restricted to only exploiting the R&D&I results in the UK. 	
Confirm type of aid:	<ul style="list-style-type: none"> • Grant; • Interest rate subsidy; • Loan; • Repayable advance; • Guarantee. 	
Information about eligible costs		
Confirm eligibility of supported costs:	Wage costs over the period the disabled worker is employed.	
Confirm that no other aid has been given for the same eligible costs:	If this is the case, ensure cumulation of such aid given under the General Block Exemption Regulation does not exceed the highest aid intensity or aid amount applicable under the General Block Exemption Regulation.	
Information about aid intensities		
Confirm the total level of ALL public funding (including structural funds) awarded and that it is within the permitted intensity levels:	Up to 75% of costs	£ %
Information about notification thresholds		
Confirm that the aid is not more than €10 million per undertaking, per year. Any award of aid in excess of this amount will require direct notification to the European Commission.		
Information about reporting		
Confirm that if the aid is above €500,000 you have collected the following information to input (when required) on the Member State database: <ul style="list-style-type: none"> • Name of company receiving the support; • The company's identifier; • Type of company (small, medium or large) at time of granting; • Region in which the company is located at NUTS 2 level (annex 2 – has a list of NUTS 2 Areas); • Sector of activity at NACE group level – a list of NACE codes can be found at: http://ec.europa.eu/competition/mergers/cases/index/nace_all.html 		

<ul style="list-style-type: none"> • Aid amount in sterling; • Aid instrument (grant/Interest rate subsidy, loan, repayable advances/reimbursable grant, guarantee, tax advantage or exemption, risk finance, other (please specify); • Date of granting the aid; • Objective of the aid i.e. what will it be used for? What do you hope to achieve by granting the aid? • Granting authority; • Reference of the aid measure. 	
<p>Confirm that you have provided contact name and information to state.aid@wales.gsi.gov.uk</p>	

Annex 1- Checklist C - Aid for compensating the additional costs of employing workers with disabilities

Information about the company/enterprise assisted		
Confirm that the enterprise assisted is NOT in one of the following sectors:	<ul style="list-style-type: none"> Processing and marketing of agricultural products where (1) the amount of aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the SME concerned or (2) the aid is conditional on being partly or entirely passed on to the primary producers 	
Confirm that the enterprise assisted is NOT subject to either of the following:	<ul style="list-style-type: none"> An outstanding order for the recovery of aid which has been declared by the Commission to be illegal and incompatible with the Common market; "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). 	
Information about the project		
Confirm that no work started on the project prior to the application.		
Confirm that the company submitted a written application including the following information before work started on the project: (a) Name and size; (b) Description of the project, including its start and end dates; (c) Location of the project; (d) List of project costs; (e) Form of and amount of public funding needed for the project.		
Information about the support		
Confirm that support is NOT for any of the following activities:	<ul style="list-style-type: none"> Export related activities; Aid contingent upon the use of domestic over imported goods; Aid to facilitate the closure of uncompetitive coal mines. 	
Confirm that the following restrictions do not apply:	<ul style="list-style-type: none"> Companies are required to have their headquarters in the UK or to be predominantly established in the UK; The Company is restricted to only exploiting the R&D&I results in the UK. 	
Confirm type of aid:	<ul style="list-style-type: none"> Grant; Interest rate subsidy; 	

	<ul style="list-style-type: none"> • Loan; • Repayable advance; • Guarantee. 	
Information about eligible costs		
Confirm eligibility of supported costs:	<ul style="list-style-type: none"> • Costs of adapting the premises; • Costs of employing staff solely for time spent on the assistance of the workers with disabilities and of training such staff to assist workers with disabilities; • Costs of adapting or acquiring equipment, or acquiring and validating software for use by workers with disabilities, including adapted or assistive technology facilities, which are additional to those which the beneficiary would have incurred had it employed workers who are not workers with disabilities; • Costs directly linked to transport or workers with disabilities to the working place and for work related activities; • Wage costs for the hours spent by a worker with disabilities on rehabilitation; • Where the beneficiary provides sheltered employment, the costs of constructing, installing or modernising the production units of the undertaking concerned, and any costs of administration and transport, provided that such costs result directly from the employment of workers with disabilities. 	
Confirm that no other aid has been given for the same eligible costs:	If this is the case, ensure cumulation of such aid given under the General Block Exemption Regulation does not exceed the highest aid intensity or aid amount applicable under the General Block Exemption Regulation.	
Information about aid intensities		
Confirm the total level of ALL public funding (including structural funds) awarded and that it is within the permitted intensity levels:	Up to 100% of costs	£ %
Information about notification thresholds		

<p>Confirm that the aid is not more than €10 million per undertaking, per year.</p> <p>Any award of aid in excess of this amount will require direct notification to the European Commission.</p>	
<p>Information about reporting</p>	
<p>Confirm that if the aid is above €500,000 you have collected the following information to input (when required) on the Member State database:</p> <ul style="list-style-type: none"> • Name of company receiving the support; • The company's identifier; • Type of company (small, medium or large) at time of granting; • Region in which the company is located at NUTS 2 level (annex 2 – has a list of NUTS 2 Areas); • Sector of activity at NACE group level – a list of NACE codes can be found at: http://ec.europa.eu/competition/mergers/cases/index/nace_all.html • Aid amount in sterling; • Aid instrument (grant/Interest rate subsidy, loan, repayable advances/reimbursable grant, guarantee, tax advantage or exemption, risk finance, other (please specify); • Date of granting the aid; • Objective of the aid i.e. what will it be used for? What do you hope to achieve by granting the aid? • Granting authority; • Reference of the aid measure. 	
<p>Confirm that you have provided contact name and information to state.aid@wales.gsi.gov.uk</p>	

Annex 1- Checklist D - Aid for compensating the costs of assistance provided to disadvantaged workers

Information about the company/enterprise assisted		
Confirm that the enterprise assisted is NOT in one of the following sectors:	<ul style="list-style-type: none"> Processing and marketing of agricultural products where: <ol style="list-style-type: none"> the amount of aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the SME concerned; or the aid is conditional on being partly or entirely passed on to the primary producers. 	
Confirm that the enterprise assisted is NOT subject to either of the following:	<ul style="list-style-type: none"> An outstanding order for the recovery of aid which has been declared by the Commission to be illegal and incompatible with the Common market; “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). 	
Information about the project		
Confirm that no work started on the project prior to the application.		
Confirm that the company submitted a written application including the following information before work started on the project:		
(a) Name and size; (b) Description of the project, including its start and end dates; (c) Location of the project; (d) List of project costs; (e) Form of and amount of public funding needed for the project.		
Information about the support		
Confirm that support is NOT for any of the following activities:	<ul style="list-style-type: none"> Export related activities; Aid contingent upon the use of domestic over imported goods; Aid to facilitate the closure of uncompetitive coal mines. 	
Confirm that the following restrictions do not apply:	<ul style="list-style-type: none"> Companies are required to have their headquarters in the UK or to be predominantly established in the UK; The Company is restricted to only exploiting the R&D&I results in the UK. 	
Confirm type of aid:	<ul style="list-style-type: none"> Grant; 	

	<ul style="list-style-type: none"> • Interest rate subsidy; • Loan; • Repayable advance; • Guarantee. 	
Information about eligible costs		
Confirm eligibility of supported costs:	<ul style="list-style-type: none"> • Costs for employing staff solely for the time spent on the assistance of the disadvantaged workers over a maximum period of 12 months following recruitment of a disadvantaged worker or over a maximum period of 24 months following the recruitment of a severely disadvantaged worker; • Costs of training such staff to assist disadvantaged workers. 	
Confirm that no other aid has been given for the same eligible costs:	If this is the case, ensure cumulation of such aid given under the General Block Exemption Regulation does not exceed the highest aid intensity or aid amount applicable under the General Block Exemption Regulation.	
Information about aid intensities		
Confirm the total level of ALL public funding (including structural funds) awarded and that it is within the permitted intensity levels:	Up to 50% of costs	£ %
Information about notification thresholds		
<p>Confirm that the aid is not more than €5 million per undertaking, per year.</p> <p>Any award of aid in excess of this amount will require direct notification to the European Commission.</p>		
Information about reporting		
<p>Confirm that if the aid is above €500,000 you have collected the following information to input (when required) on the Member State database:</p> <ul style="list-style-type: none"> • Name of company receiving the support; • The company's identifier; • Type of company (small, medium or large) at time of granting; • Region in which the company is located at NUTS 2 level (annex 2 – has a list of NUTS 2 Areas); • Sector of activity at NACE group level – a list of NACE codes can be found at: http://ec.europa.eu/competition/mergers/cases/index/nace_all.html • Aid amount in sterling; • Aid instrument (grant/Interest rate subsidy, loan, repayable advances/reimbursable grant, guarantee, tax advantage or exemption, 		

<p>risk finance, other (please specify);</p> <ul style="list-style-type: none"> • Date of granting the aid; • Objective of the aid i.e. what will it be used for? What do you hope to achieve by granting the aid? • Granting authority; • Reference of the aid measure. 	
<p>Confirm that you have provided contact name and information to state.aid@wales.gsi.gov.uk</p>	