

Welsh Government State Aid Unit

# How to use the GBER Training Aid Scheme

Version 1 – January 2015

## How to use the GBER Training Aid Scheme

This document provides practical guidance on how to use the General Block Exemption Regulation (GBER) Training Aid 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 Training Aid.

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](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](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 training aid provisions of the GBER can be used by public authorities to provide support to undertakings aiming to train their workforce. This type of State aid is allowed because the European Commission considers that training increases the pool of skilled workers in Europe and improves the productivity and competitiveness of European businesses.

### Using the GBER Training Aid scheme

To run a GBER Training Aid scheme the correct procedures must be put in place.

#### ***Step 1 – Check that the training to be carried out is subject to the State Aid Rules***

Is the training considered an economic activity?

If you have answered yes then it is likely that the GBER Training Aid provisions will apply.

Certain types of training are not considered to be economic and so are not subject to the state aid rules. These include:

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

If the training you want to support falls into any of these categories you can proceed on a 'no aid' basis but be sure to document why it is 'no aid' and retain this evidence in case the Commission decides to investigate your award.

### ***Step 2 – Identify the right State aid registration***

Every GBER Training 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.39175	Welsh Government Support for Training Scheme	<a href="http://gov.wales/topics/businessandeconomy/stateaid/schemes/training-scheme/?lang=en">http://gov.wales/topics/businessandeconomy/stateaid/schemes/training-scheme/?lang=en</a>
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You do not need to register a new scheme.

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

SA.39576	Welsh Local Government Support for Training Scheme	<a href="http://www.wlga.gov.uk/europe-publications/2014-welsh-local-government-support-for-training-scheme/">http://www.wlga.gov.uk/europe-publications/2014-welsh-local-government-support-for-training-scheme/</a>
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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](mailto:state.aid@wales.gsi.gov.uk)

### ***Step 3 – Make sure that the support you want to give is compatible with all the conditions for GBER Training Aid.***

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 award will

need to be checked against these terms. Annex 1 of this document contains checklists that you can use to assist you.

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/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_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](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, as well as collection of information for the database. 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](mailto: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

Information about the company/enterprise assisted		
Confirm size:	<ul style="list-style-type: none"> <li>• SME; or</li> <li>• large enterprise</li> </ul>	
Confirm that the enterprise assisted is <b>NOT</b> in the following sector:	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	
Confirm that the enterprise assisted is <b>NOT</b> subject to either of the following:	<ul style="list-style-type: none"> <li>• An outstanding order for the recovery of aid which has been declared by the Commission to be illegal and incompatible with the Common market;</li> <li>• “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).</li> </ul>	
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 <b>NOT</b> for any of the following activities:	<ul style="list-style-type: none"> <li>• Export related activities;</li> <li>• Aid contingent upon the use of domestic over imported goods;</li> <li>• Aid to facilitate the closure of uncompetitive coal mines.</li> </ul>	
Confirm that the following restrictions do not apply:	<ul style="list-style-type: none"> <li>• Companies are required to have their headquarters in the UK or to be predominantly established in the UK;</li> <li>• The Company is restricted to only exploiting the R&amp;D&amp;I results in the UK.</li> </ul>	
Confirm type of aid:	<ul style="list-style-type: none"> <li>• Grant;</li> <li>• Interest rate subsidy;</li> <li>• Loan;</li> <li>• Repayable advance.</li> </ul>	

Information about eligible costs						
Confirm the eligibility of supported costs:		<ul style="list-style-type: none"> <li>Trainers' personnel costs, for the hours during which the trainers participate in the training;</li> <li>trainers' and trainees' operating costs directly relating to the training project such as travel expenses, materials and supplies directly related to the project, depreciation of tools and equipment, to the extent that they are used exclusively for the training project. Accommodation costs are excluded except for the minimum necessary accommodation costs for trainees' who are workers with disabilities;</li> <li>costs of advisory services linked to the training project;</li> <li>trainees' personnel costs and general indirect costs (administrative costs, rent, overheads) for the hours during which the trainees participate in the training.</li> </ul>				
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 <b>ALL</b> public funding (including structural funds) awarded and that it is within the permitted intensity levels:			<b>Small</b>	<b>Medium</b>	<b>Large</b>	£  %
		Basic aid intensities	70%	60%	50%	
		10% uplift disabled/ disadvantaged workers	70% (max allowed)	70%	60%	
		10% uplift disabled/ disadvantaged workers	70% (max allowed)	70%	60%	
Information about aid intensities						
<b>Maritime transport sector</b> 100% aid intensity where the following conditions are met: (a) The trainees are not active members of the crew but are supernumerary on board; and (b) The training is carried out on board of ships entered in Union registers.						
Information about notification thresholds						
Confirm that the aid is not more than €2 million per training project.  Any award of aid in excess of this amount will require direct notification to the European Commission.						
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"> <li>• Name of company receiving the support;</li> <li>• The company's identifier;</li> <li>• Type of company (small, medium or large) at time of granting;</li> <li>• Region in which the company is located at NUTS 2 level (annex 2 – has a list of NUTS 2 Areas);</li> <li>• Sector of activity at NACE group level – a list of NACE codes can be found at:  <a href="http://ec.europa.eu/competition/mergers/cases/index/nace_all.html">http://ec.europa.eu/competition/mergers/cases/index/nace_all.html</a>;</li> <li>• Aid amount in sterling;</li> <li>• Aid instrument (grant/Interest rate subsidy, loan, repayable advances/reimbursable grant, guarantee, tax advantage or exemption, risk finance, other (please specify);</li> <li>• Date of granting the aid;</li> <li>• Objective of the aid i.e. what will it be used for? What do you hope to achieve by granting the aid?;</li> <li>• Granting authority;</li> <li>• Reference of the aid measure.</li> </ul>	
<p>Confirm that you have provided contact name and information to  <a href="mailto:state.aid@wales.gsi.gov.uk">state.aid@wales.gsi.gov.uk</a></p>	