



Nottinghamshire Economic Development Capital Fund

State aid reference no: SA 39381

1. Member State

United Kingdom

2. Region

East Midlands

Nottinghamshire

3. Title of aid scheme

Nottinghamshire Economic Development Capital Fund

4. UK legal basis

National Legal Basis (Reference to the relevant national publications)

Section 1, Part 1, Chapter 1 of the Localism Act 2011

<http://www.legislation.gov.uk/ukpga/2011/20/section/1>

5. EC legal basis

Aid provided under this scheme will be within limits set out in Articles 14 and 17 of Commission (EC) Regulation TBA (General Block Exemption Regulation 1/7/2014)

Summary information relating to the Scheme has been registered with the Commission under reference ISIS procedure: SA to be added.

Scheme was previously notified under previous GBER Regulation 800/2008: **SA.38617 Nottinghamshire Economic Development Capital Fund**

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

GBER – means the General Block Exemption Regulation (Commission (EC) Regulation 651/2014 which took effect on 1 July 2014

De Minimis – means the Regulation of Commission (EC) Regulation 1407/2013

Small and Medium Sized Enterprise (SME) - Means an enterprise that falls within the criteria and parameters of the definition of micro, small and medium-sized enterprises contained in the 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

Large enterprise - Means any enterprise that is not an SME.

Assisted Area Tier 2 - Means those parts of Nottinghamshire designated as 87 (3) (c) areas as identified in the Regional Aid Map 2014 -2020 (please refer to Annex 1 for further information)

Regional Aid Map - Means the map approved by the Commission for the UK and published in accordance with paragraph 101 of the Guidelines on National Regional Aid for 2014-20.

Non-Assisted Area Tier 3 - Means any of area of Nottinghamshire not designated as an Assisted Area.

Tangible assets - Means assets relating to land, buildings and plant, machinery and equipment.

Intangible assets - Means assets entailed by the transfer of technology by the acquisition of patent rights, licences, know-how or unpatented technical knowledge.

7. Objective of the Scheme

Nottinghamshire Economic Development Capital Fund is a Council-backed initiative, which aims to provide £6 million of financial support for business investment to March 2020. Nottinghamshire County Council will administer the scheme. The overarching aim is to support eligible investments in new jobs and business growth which will help to develop its private sector base, while counteracting the effects of recent economic shocks in the area. The scheme offers grants (see 11. below)

All assistance is discretionary, based on the merits of the proposal and an assessment of need, with the aim of supporting capital investment that creates and supports sustainable jobs and/or business growth. There is no automatic entitlement to support from the Council.

8. Government body authorised to implement the Scheme

Nottinghamshire County Council

9. Scope of the scheme

The Scheme will be open to (1) SMEs and large enterprises within the Nottinghamshire assisted areas and (2) SMEs only in the rest of the County.

We will not provide grants in the following sectors: Primary Agriculture and horticulture; Iron and steel, coal, synthetic fibres, vehicles and fisheries

We will not provide grants in any unlawful or illegal business activity; any organisations engaged in political activity or lobbying at any level or activity of an exclusively religious nature.

The scheme is designed to be compatible with Regional aid – investment aid (Art.14) and investment aid to SMEs (Art.17) of the GBER 651/2014

10. Duration of the Scheme

From 1 July 2014 until 31 March 2020.

11. Form of aid

Financial support in the form of a grant. Aid awarded under the Scheme will be transparent and in line with criteria set out in Articles 14 and 17 of the GBER 651/2014.

12. Eligible Activities Supported under the Scheme

Investment in Tangible and/or Intangible assets relating to the setting-up of a new establishment, the extension of an existing establishment, diversification of the output of an establishment into new additional products or a fundamental change in the overall production process of an existing establishment or the acquisition of the capital assets directly linked to an establishment has closed or would have closed had it not been purchased, and the assets are brought by an independent investor. In the case of business succession of a small enterprise in favour of family of the original owner(s) or in favour of former employees, the condition that the assets shall be brought by an independent investor shall be waived. The sole acquisition of the shares of an undertaking shall not constitute investment.

Examples of eligible activities supported under this Scheme include: Land – Purchase (as part of a bigger investment proposal); Buildings – Purchase (as part of a bigger investment proposal); Buildings – Construction/improvement; Certain professional fees; Fixtures and fittings; Equipment and machinery Patent rights; Licences Know-how; Unpatented technical knowledge.

Additional criteria include that the assets must:

- be used exclusively in the Nottinghamshire area be regarded as capital;
- be regarded as amortizable assets;
- be purchased from third parties under market conditions;
- be included in the assets of the undertaking;
- remain in Nottinghamshire for at least five years after completion of the whole investment, or three years for small and medium sized enterprises (SMEs)(this includes finance leases).

In the case of acquisition of an establishment, only the costs of buying assets from third parties shall be taken into consideration, provided that the transaction has taken place under market conditions. Where the acquisition is accompanied by other investment, the costs relating to the latter shall be added to the cost of the purchase.

Costs related to the acquisition of assets under lease, other than land and buildings, shall only be taken into consideration if the lease takes the form of financial leasing and contains an obligation to purchase the asset at the expiry of the term of the lease. For the lease of land and buildings, the lease must continue for at least five years after the anticipated date of completion of the investment project or three years in the case of SMEs.

Except in the case of SMEs and takeovers, the assets acquired shall be new. In the case of takeovers, assets for the acquisition of which aid has already been granted prior to the purchase shall be deducted. For SMEs, the full costs of investments in intangible assets may also be taken into consideration. For large enterprises, such costs are eligible only up to a limit of 50% of the total eligible investment costs for the project.

13. Incentive effect

The Council is required to consider the impact of the proposed aid order to be compliant with the GBER Articles 14 and 17:

(1)Employment - All proposals must have a positive impact on employment in the Nottinghamshire area and must, specifically, create or safeguard jobs within the business. These jobs can be either full-time or part-time but they must be permanent posts. Only jobs directly employed by the business may be counted. The job created should be expected to endure for at least 5 years for large enterprises or 3 years for SMEs.

(2)Demonstrate Need – The applicant must be able to demonstrate the need for financial support to go ahead or in exceptional circumstances would go ahead on a smaller scale

(3)Viability - The organisation undertaking the investment proposal must be viable, have good growth potential and be self-sustaining by the completion of the investment.

(4)Impact –The investment proposal is likely to have a positive impact on the economy of Nottinghamshire and will create jobs.

In addition, applicants will need to provide a financial contribution towards the cost of the eligible assets being acquired under State aid assistance. This can be from applicants' own resources or from private funding sources (eg bank loan).

14. Aid Intensities

The Aid Intensity levels depend on a) Size of the Business b) The Area where the business is located. The following sets out the limits that individual recipients of aid must keep to:

Table – Nottinghamshire Economic Development Capital Fund: Aid Intensity Levels		
Size of business	Maximum grant rate (% of project cost)	
	Regional investment aid (Art. 14)	SME investment aid (Art.17)
	Assisted Area Tier 2 (specific wards in Nottinghamshire)	Non-Assisted Tier 3 – rest of Nottinghamshire
Small businesses (up to 50 group employees)	Up to 30%	Up to 20%
Medium sized businesses (up to 250 employees)	Up to 20%	Up to 10%
Large businesses (over 250 employees)	Up to 10%	0

15. Budget

The maximum allocation of funds planned under this Scheme over the period 01/04/14 - 31/03/2020 is £6 million. Please note: Nottinghamshire County Council anticipates equal levels of grant provision across all years. All assistance is discretionary.

16. Cumulation

There are set limits on the amounts of State aid an individual recipient can receive. It is the responsibility of applicants to ensure that they have not exceeded the prescribed aid intensity.

Applicants should consider whether they have received any other form of State aid for the same project from any other source (i.e. local, regional, national or Community sources) because the cumulative effect will be the relevant calculation for the purposes of identifying whether the aid intensity ceiling has been breached.

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

17. Monitoring and Reporting requirements

All recipients of aid under the scheme will be informed that aid has been provided under the Scheme. Records will be kept for 10 years from the date that the last award of aid under the Scheme is made and records will be sufficiently detailed to establish that the conditions of the Scheme are met. An annual report of expenditure of the Scheme will be provided to the Commission.

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Annex 1

Assisted Area Tier 2 – List of wards

Ashfield District

Hucknall West Ward
Kirkby in Ashfield Central Ward
Kirkby in Ashfield East Ward
Kirkby in Ashfield West Ward
Sutton in Ashfield East Ward
Sutton in Ashfield West Ward
Woodhouse Ward

Bassetlaw District

Blyth Ward
Harworth Ward
Langold Ward
Welbeck Ward
Worksop North West Ward
Worksop South Ward
Worksop South East Ward

Broxtowe Borough

Beeston Rylands Ward

Gedling Borough

Burton Joyce and Stoke Bardolph Ward
Gedling Ward
Netherfield and Colwick Ward

Mansfield District

Abbott Ward
Berry Hill Ward
Kingsway Ward
Lindhurst Ward
Ling Forest Ward
Maun Valley Ward
Netherfield Ward
Newlands Ward
Oakham Ward
Oak Tree Ward
Penniment Ward
Ransom Ward
Sherwood Ward
Woodhouse Ward
Yeoman Hill Ward

Newark and Sherwood District

Boughton Ward
Clipstone Ward
Edwinstowe Ward
Ollerton Ward

If you are not sure in which ward your business / project is located, please review the map at <http://www.ukassistedareasmap.com> or contact ecdev@nottscc.gov.uk