How to use the GBER Culture and Heritage Conservation Scheme

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How to use the GBER Culture and Heritage Conservation Aid Scheme

This document provides practical guidance on how to use the General Block Exemption Regulation (GBER) Culture and Heritage Conservation 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 Culture and Heritage Conservation 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:


A summary of the GBER can be found at:


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 Culture and Heritage Conservation provisions of the GBER can be used by public authorities to provide support to undertakings delivering Culture and Heritage activities or services and the maintenance or upgrade of heritage or cultural infrastructure. This type of State aid is allowed because the European Commission considers that culture and heritage both offer important opportunities for the creation of wealth and employment and act as a vehicle for the identities, values and meanings that mirror and shape our societies.

Using the GBER Culture and Heritage Conservation Aid scheme

To run a GBER Culture and Heritage Conservation Aid scheme the correct procedures must be put in place.

Step 1 – Check that the recipient is subject to the State Aid Rules

Is the recipient carrying out an economic activity?

If you have answered yes then it is likely that the GBER Culture and Heritage Conservation Aid provisions will apply.
If the funding is to support an activity which is non-economic in nature, for example installing blue heritage plaques or maintaining an open-access memorial, it will not be subject to the State Aid rules.

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

Every GBER Culture and Heritage Conservation 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:

<table>
<thead>
<tr>
<th>Registration</th>
<th>Scheme Name</th>
<th>Registration Link</th>
</tr>
</thead>
</table>

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:

<table>
<thead>
<tr>
<th>Registration</th>
<th>Scheme Name</th>
<th>Registration Link</th>
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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 Culture and Heritage Conservation 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 investment 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:

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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. This 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
Annex 1- Checklist

### Information about the company/enterprise assisted

| Confirm that the enterprise assisted is NOT in one of the following sectors: | • Fisheries and aquaculture;  
| | • Primary production of agricultural products;  
| | • Processing and marketing of agricultural products where (1) the amount of aid if 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: | • 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. |
| Confirm which of the following categories the project falls into:  
| a) Museums, archives, libraries, artistic and cultural centres or spaces, theatres, opera houses, concert halls, other live performance organisations, film heritage institutions and other similar artistic and cultural infrastructures, organisations and institutions;  
| b) Tangible heritage including all forms of movable or immovable cultural heritage and archaeological sites, monuments, historical sites and buildings; natural heritage linked to cultural heritage or if formally recognised as cultural or natural heritage by the competent public authorities of a Member State;  
| c) Intangible heritage in any form, including folklorist customs and crafts;  
| d) Art or cultural events and performances, festivals, exhibitions and other similar cultural activities;  
| e) Cultural and artistic education activities as well as promotion of the understanding of |
the importance of protection and promotion of the diversity of cultural expressions through educational and greater public awareness programs, including with the use of new technologies;  
f) Writing, editing, production, distribution, digitisation and publishing of music and literature, including translations.

<table>
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<tr>
<th>Information about the support</th>
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| Confirm that the support is **NOT** for any of the following activities: | • Export related activities;  
 • Aid contingent upon the use of domestic over imported goods;  
 • For the closure of an uncompetitive coal mine. |
| Confirm that the following restrictions do not apply: | • Companies are required to have their headquarters in the UK or to be predominantly established in the UK;  
 • The recipient is restricted to only exploiting R&D&I results in the UK. |
| Confirm type of aid: | • Grant;  
 • Interest rate subsidy;  
 • Loan;  
 • Repayable advance;  
 • Guarantee;  
 • Tax Advantage;  
 • Risk Finance. |
| Confirm that the support is not for press or magazines (published in either print or electronic form). | |

<table>
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<th>Information about eligible costs</th>
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| Investment aid – confirm the eligibility of supported costs | • costs for the construction, upgrade, acquisition, conservation or improvement of infrastructure, if at least 80% of either the time or the space capacity per year is used for cultural purposes;  
 • costs for the acquisition, including leasing, transfer of possession or physical relocation of cultural heritage;  
 • costs for safeguarding, preservation, restoration and rehabilitation of tangible and intangible cultural heritage, including extra costs for storage under appropriate conditions, special tools, materials and costs for documentation, research, digitalisation and publication;  
 • costs for improving the accessibility of cultural heritage to the public, including costs for digitisation and other new technologies, costs to improve accessibility for persons with special needs (in particular, ramps and lifts for disabled persons, braille indications |
and hands-on exhibits in museums) and for promoting cultural diversity with respect to presentations, programmes and visitors;  
- costs for cultural projects and activities, cooperation and exchange programmes and grants including costs for selection procedures, costs for promotion and costs incurred directly as a result of the project.

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<tr>
<th>Operating aid – confirm the eligibility of supported costs:</th>
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<tr>
<td>- the cultural institution’s or heritage site’s costs linked to continuous or periodic activities including exhibitions, performances and events and similar cultural activities that occur in the ordinary course of business;</td>
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<tr>
<td>- costs of cultural and artistic education activities as well as promotion of the understanding of the importance of protection and promotion of diversity of cultural expressions through educational and greater public awareness programs, including with the use of new technologies;</td>
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<tr>
<td>- costs of the improvement of public access to the cultural institution or heritage sites and activities including costs of digitisation and of use of new technologies as well as costs of improving accessibility for persons with disabilities;</td>
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<tr>
<td>- operating costs directly relating to the cultural project or activity, such as rent or lease of real estate and cultural venues, travel expenses, materials and supplies directly related to the cultural project or activity, architectural structures for exhibitions and stage sets, loan, lease and depreciation of tools, software and equipment, costs for access rights to copyright works and other related intellectual property rights protected contents, costs for promotion and costs incurred directly as a result of the project or activity: depreciation charges and the costs of financing are only eligible if they have not been covered by investment aid;</td>
</tr>
<tr>
<td>- costs for personnel working for the cultural institution or heritage site or for a project;</td>
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<tr>
<td>- Costs for publishing music and literature are the cost of publishing of music and literature, including the authors’ fees (copyright costs), translators’ fees, editors fees, other editorial costs (proofreading, correcting, reviewing), layout and pre-press costs and printing or e-publication costs;</td>
</tr>
<tr>
<td>- costs for advisory and support services provided by outside consultants and service providers, incurred directly as a result of the project.</td>
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<tr>
<td>Confirm that no other aid has been given for the same eligible costs:</td>
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### Information about aid intensities

<table>
<thead>
<tr>
<th>Operating Aid (Non-publishing)</th>
<th>Confirm that the aid awarded will not exceed the operating losses (plus a reasonable profit) over the relevant period. This will be ensured ex-ante, on the basis of reasonable projections, or through a claw-back mechanism.</th>
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<tbody>
<tr>
<td>Investment Aid (Non-publishing)</td>
<td>Confirm that the aid awarded does not exceed the difference between the eligible costs and the operating profit of the investment (the operating profit should be deducted from the eligible costs ex-ante on the basis of reasonable projections or through a claw-back mechanism).</td>
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</tbody>
</table>

For publishing of music and literature

Confirm not more than 70% of the difference between the eligible costs and the project’s discounted revenues.

Where the total amount of aid does not exceed €1m for investment aid and operating aid, up to 80% of total eligible costs can be supported without taking account of the difference between eligible costs and operating profit or operating losses.

### Information about notification thresholds

<table>
<thead>
<tr>
<th>Confirm that the aid is not more than:</th>
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<tbody>
<tr>
<td>Investment Aid</td>
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<tr>
<td>Operating Aid</td>
</tr>
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### 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:

- 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.
| Confirm that you have provided contact name and information to state.aid@wales.gsi.gov.uk |   |