

Scottish Government

State Aid Reference No: XR 15/07

1. Member State

United Kingdom

2. Region

Scotland

3. Title of Aid Scheme

Regional Selective Assistance - Scotland

4. UK Legal Basis

Industrial Development Act 1982, section 7; Enterprise and New Towns (Scotland) Act 1990, as amended by Scottish Statutory Instrument 2001 No126, section 8.

5. EC Legal Basis

All aid provided under this Scheme will be within the limits set out in Article 13 of Commission Regulation (EC) 800/2008 (General Block Exemption Regulation).

Summary information relating to the Scheme has been registered with the Commission under reference XR 15/07.

6. Definition

In this Scheme, the following expression has the meaning 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 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.

7. Objective of the Scheme

The aim of this scheme is to encourage investment in projects which create or safeguard jobs.

8. Government Body authorised to implement the Scheme

Scottish Government and Scottish Enterprise.

9. Scope of the Scheme

The criteria of the Scheme are set out below:-

- The project must take place in Scotland.
- The project must create or safeguard jobs.
- There must be an element of capital expenditure.
- The project must be mainly funded from the private sector.

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).

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.

10. Duration of the Scheme

Duration of the Scheme is until 31 December 2013.

11. Form of Aid

All aid awarded under the Scheme will be transparent and in line with criteria set out in Article 13 of the General Block Exemption Regulation.

12. Eligible Activities to be supported under the Scheme

Eligible activities under the Scheme are:-

- Investment; and
- Job Creation.

Eligible costs are at the annex to this paper.

13. Aid intensities and limits

The General Block Exemption sets out the relevant aid intensities and the maximum amount of support that can be awarded under the Scheme. Specifically the aid intensity shall not exceed:

Notes	Area	Size of Enterprise:		
		Large	Medium	Small
1.	107(3)(c)	20%	30%	40%
2.	107(3)(c)	15%	25%	35%
3.	107(3)(c)	10%	20%	30%

1.	107(3)(a) "Statistical effect" area. Limits 30%, 40% and 50% until 31 December 2010.
2.	Wards designated as Assisted Areas within Clackmannanshire, Dundee City, East Ayrshire, East Dunbartonshire, Falkirk, Fife, Glasgow City, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire, South Lanarkshire, Stirling and West Dunbartonshire.
3.	Wards designated as Assisted Areas within South Ayrshire.

14. 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, or with aid classed as de minimus aid in regard to the same eligible costs if the result would breach the aid intensities set out above.

15. Budget for Aid under the Scheme

The annual budget over the period from 1 August 2008 to 31 December 2013 will be £85m.

16. Monitoring and Reporting Requirements

All recipients of aid under the scheme will be informed that aid has been provided under the Scheme, registered under XR 15/07 pursuant to Article 13 of Commission Regulation (EC) No 800/2008 (General Block Exemption Regulation).

Records will be kept for ten 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 SME status and eligibility of supported costs.

An Annual Report on the expenditure under this Scheme will be provided to the Commission.

Contact information:-

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ELIGIBLE COSTS

Investment aid

Investment aid can be awarded for investments in 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. Eligible costs are tangible assets - assets relating to land, buildings and plant, machinery and equipment -and intangible assets. For large enterprises, the costs of intangible assets are eligible only up to a limit of 50 % of the total eligible investment costs for the project.

Job Creation

The estimated wage costs of employment directly created by the investment project over a 2 year period.

