

THE BIG LOTTERY FUND STATE AID SCHEME

Background

The Big Lottery Fund has the power to award grants under section 36(b) of the National Lottery Act 2006.

This Scheme has been set up to enable the Big Lottery Fund to make awards of State aid:

- (a) within the relevant Chapter III exemptions contained within the General Block Exemption Regulations 651/2014 listed below;
- (b) under Article 42 of Commission Regulation 1388/2014; and
- (c) under Article 95 of Commission Regulation 508/2014

together the "relevant State Aid regulations" and each a "relevant State Aid regulation".

The figures listed are indicative only and do not necessarily reflect an available budget.

General Conditions

1. Title

The Big Lottery Fund State Aid Scheme (the **Scheme**)

2. Member State

United Kingdom

3. Regions

England and Wales

4. Granting Authority

The Big Lottery Fund

1 Plough Place, London, Greater London EC4A 1DE, United Kingdom

5. Legal Basis

Aid under the Scheme may be awarded whenever it meets the relevant State Aid regulations.

The Big Lottery Fund has the power to make awards of grant under the National Lottery Act 2006.

6. Duration

Aid awarded from 01/06/2017 to 31/12/2020.

7. Economic sectors eligible

All sectors are eligible to receive funding, other than those precluded under the relevant State Aid regulations

8. Beneficiary type

Large, medium sized and small enterprises may receive aid under the Scheme.

9. Total annual budget planned

In any calendar year the Scheme shall not be used to provide awards which cumulatively exceed £10 million per annum. For the avoidance of doubt, this figure does not reflect a committed budget, but instead is the total amount which may be allocated under the Scheme for State Aid law purposes. Aggregate awards made may be considerably less than this amount.

10. Types of aid funding

It is anticipated that the following types of aid will be awarded under the Scheme:

Direct grant;
Equity; and
Interest rate subsidy

11. Co-financing with EU Funds

It is not expected that the Scheme will be used to co-finance with EU Funds, but the Big Lottery Fund reserve the right to declare EU funds, including European Structural and Investment Funds, under this Scheme.

12. Incentive Effect

An award shall only have cover under the Scheme if it meets the relevant incentive effect requirements (which may involve the submission of documents to the Granting Authority prior to the funding award) under the relevant State Aid regulation.

13. Cumulation

Aid awarded under the Scheme may only be cumulated with other awards of State Aid where this is consistent with the provisions of the relevant State Aid regulation.

14. Primacy

If any part of this Scheme is inconsistent with the relevant State Aid regulation, the provisions of the relevant State Aid regulation shall prevail.

Specific Conditions

1. Scope

The Scheme covers all the categories set out in the table below.

2. Eligible Costs

The eligible costs in relation to each primary objective shall be those that meet the criteria set out in the relevant State Aid regulation in respect of such primary objective.

3. Aid Intensity

The maximum aid intensity applicable to the aid measure is that set out in the relevant State Aid regulation.

4. Excluded Undertakings

See the relevant State Aid regulation.

5. Reporting

Any recipient of aid under the Scheme agrees to provide sufficient information to the Big Lottery Fund, upon request, to enable the reporting requirements to be met.

Table

Primary Objective/General Objectives	Max aid intensity in % or max annual aid amount in national currency	SME-bonuses in %
Regional aid- Investment aid (Art.14)	10% -15% (although a small number of areas of the UK are subject to higher assisted area intervention rates)	20% (small) 10% (medium)

SME aid for start-ups (Art.22)	Various aid intensity levels	As laid out in Article 22(3), (4) and (5)
Aid for alternative trading platforms	Aid not provided on an aid intensity basis	
Fundamental research (Art. 25(2)(a))	100%	20% (small) 10% (medium)
Industrial research (Art. 25(2)(b))	50%	20% (small) 10% (medium)
Experimental development (Art. 25(2)(c))	25%	20% (small) 10% (medium)
Feasibility studies (Art. 25(2)(d))	50%	20% (small) 10% (medium)
Training Aid (Art. 31)	50%	20% (small) 10% (medium)
Investment aid for the promotion of energy from renewable sources (Art. 41)	50% (investments located in (c) assisted areas)	20% (small) 10% (medium)
Operating aid for the promotion of electricity from renewable sources (Art. 42)	30 – 45%	20% (small) 10% (medium)
Aid for culture and heritage conservation (Art. 53)	100%	
Aid for sport and multifunctional re-creation of infrastructures (Art. 55)	100%	
Investment Aid for local infrastructures (Art. 56)	100%	
Aid for maritime ports (Art. 56b)	100%	
Aid for inland ports (Art. 56c)	100%	

6. Conditions

The Big Lottery Fund reserves the right to add further conditions to any award made using this Scheme.

7. State Aid beneficiary commitments

Any organisation which receives State Aid cover under the Scheme agrees:

- (a) to use reasonable endeavours assist the Big Lottery Fund in the event of an investigation into the Scheme; and
- (b) to undertake their own assessment of the funding to ensure that they meet the terms and conditions of the relevant State Aid regulations.