

## Liverpool City Region High Growth Programme

### STATE AID GUIDANCE FOR THE HIGH GROWTH INNOVATION FUND

**NOTE to applicants: Please do take advice to satisfy yourselves that you are in compliance with the State Aid limits. These notes are just an overview and do not constitute professional legal advice.**

#### Are you eligible under State Aid rules for a High Growth Innovation Fund Grant?

State Aid rules are designed to ensure fair competition between different companies operating within the same industry, or market, across the EU. EU rules remain important for ERDF funded projects and there is also a need to use UK Subsidy Control rules.

They control the amount of funding that any one company can receive from public sources, to prevent the company from getting an unfair advantage over its competitors. This could include central / local government grants / subsidies, interest free loans, guarantees or debt write-offs.

If your company has already received a significant amount of funding from public sources within the past three years, then there is a possibility that it may not be eligible for a Future Innovation Fund grant. Each SME benefitting from the Project needs to provide a declaration stating the De Minimis (if any) they have received from any source – BEFORE TAKING PART.

As you, the SMEs are the end beneficiaries and are receiving grants, consultancy, and access to services / facilities at discounted prices when compared to market rates (i.e., for free) you need to comply with State Aid rules and regulations.

The following is designed to assist you to check your company's eligibility:

#### 1. Is your company covered by the "de minimis" exemption?

A company can receive up to 200,000 euros (approximately £180,000) in public funding over a rolling three-year period without breaching State Aid rules. I.e., the benefit must not exceed €200,000 over the current fiscal year and the two previous fiscal years.

To work out whether this exemption applies to your company, you will need to calculate the sum of **any** public funding you have received in the last three years, add this to the value of the High Growth Innovation Fund Grant that you are planning to apply for. If this total is less than £180,000, then you are eligible for the Grant.

#### For example:

Public funding received in past three years = £120,000

Future Innovation Fund Grant applied for = £50,000

£120,000 + £50,000 = £170,000.

This is less than the de minimis limit, so you are eligible to apply for this grant.

## 2. What if your company is not covered by the “de minimis” exemption?

You may still be eligible for a High Growth Innovation Fund Grant, as there are a number of other exemptions under State Aid rules that could potentially apply to your company. E.g., GBER Article 28.4 - Aid to SMEs for innovation and advisory services.

This General Block Exemption Regulation (GBER) has a provision for 100% aid. This is defined in Article 2 as follows: " 'innovation advisory services' means consultancy, assistance and training in the fields of knowledge transfer, acquisition, protection and exploitation of intangible assets, use of standards and regulations embedding them 'innovation support services' means the provision of office space, data banks, libraries, market research, laboratories, quality labelling, testing and certification for the purpose of developing more effective products, processes or services;"

You will need to take specialist advice on this and set out the grounds on which you consider that you are eligible within your application. This will then be reviewed by a member of Growth Platform and approved by the Combined Authority legal team as part of the Due Diligence / Assessment Process.

Applying GBER gives rise to **additional administrative complexities**, for example the need to address undertakings in difficulty, formal applications, incentive effect and identification of eligible costs.

All businesses will be required to complete the State Aid declaration which forms part of the full application form.

The grant offered will be declared as part of your HGIF Grant Funding Agreement.

You will be provided with a State Aid Statement on completion of the project to keep on file for any future projects / declarations you may be required to make.

Our Business Account Managers will support you through the processes and if you have any questions please email: [highgrowth@growthplatform.org](mailto:highgrowth@growthplatform.org)