



City & County of Swansea Support for Sports & Multifunctional Projects Scheme

State aid reference no: SA.44431

1. Member State

United Kingdom

2. Region

Wales

3. Title of aid Scheme

Council of the City & County of Swansea ('the Council') support for sports and multifunctional recreational infrastructures

4. UK legal basis

The legislation which gives effect to EC Law in Wales is the European Communities Act 1972.

The Executive of the Council has the authority to enter into this scheme by virtue of the Local Government Act 2000.

5. EC legal basis

All aid provided under this Scheme will be within the limits set out in Article 55 of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (General Block Exemption Regulation). A full version of the Regulation can be found at:

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.187.01.0001.01.ENG

6. Definitions

In this Scheme all expressions have the same meaning attributed to them as in the General Block Exemption. For ease of reference these have been replicated below (definitions are presented alphabetically):

"Date of granting the aid" means the date when the legal right to receive the aid

is conferred on the beneficiary under the applicable national legal regime.

“Professional sport” means the practice of sport in the nature of gainful employment or remunerated services, irrespective of whether or not a formal labour contract has been established between the professional sports person and the relevant sports organisation, where the compensation exceeds the cost of participation and constitutes a significant part of the income for the sports person. Travel and accommodation expenses to participate to the sport event shall not be considered as compensation for the purposes of this Scheme or the General Block Exemption Regulation. .

“Tangible assets” means assets consisting of land, buildings and plant, machinery and equipment.

“Undertaking in difficulty” means an undertaking in respect of which at least one of the following circumstances occurs:

(a) In the case of a limited liability company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, "limited liability company" refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU and "share capital" includes, where relevant, any share premium.

(b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, "a company where at least some members have unlimited liability for the debt of the company" refers in particular to the types of company mentioned in Annex II of Directive 2013/34/EU.

(c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.

7. Objective of the Scheme

The aims of the Scheme are to allow the Council to provide operating aid for sports and multifunctional recreational facilities relating to the Liberty Stadium Swansea (the Stadium).

8. Government body authorised to implement the Scheme

Council of the City & County of Swansea

9. Scope of the scheme

The support will be available to Swansea Liberty stadium.

Aid will not be allowed in the following circumstances:

- Aid to export related activities towards third countries or Member States, 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;
- Aid to facilitate the closure of uncompetitive coal mines, as covered by Council Decision No 2010/787;
- Where aid is subject to the obligation for the beneficiary to have its headquarters in the relevant Member State or to be predominantly established in that Member State;
- Where the granting of aid is subject to the obligation for the beneficiary to use nationally produced goods or services;
- Aid contingent upon the use of domestic over imported goods;
- Where the aid measure restricts the possibility for the beneficiaries to exploit the research, development and innovation results in other Member States.

Aid may not be given where the proposed recipient 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;

10. Duration of the Scheme

Aid under this Scheme may be granted on an ongoing basis to the Stadium subject to the Council ensuring that the operating aid does not exceed EURO2m per year (Article 4(1)(bb)). Aid provided after the 31 December 2020 will be brought in line with any replacement rules put in place by the Commission.

11. Budget for aid under the Scheme

There is no defined budget for aid under this scheme; the aid will take the form of the Council foregoing its right to charge a market rent for the stadium.

Should the market rent for the stadium included in this scheme increase the

Council will inform the European Commission.

12. Form of aid

All aid awarded under the Scheme will be transparent and in line with criteria set out in Article 5 of the General Block Exemption Regulation. Aid may be awarded only by way of the Council not making a demand for payment of market rent from the stadium management company

13. Eligible activities to be supported under the scheme

The scheme supports a sports and multifunctional infrastructure project. Detailed descriptions of the eligible activities that will be supported are set out in **Schedule 1**

14. Cumulation

In determining whether the individual notification thresholds and the maximum aid intensities are respected, the total amount of State aid for the aided activity or project or undertaking 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 minimis aid in regard to the same eligible costs if the result would breach the applicable aid intensities.

A mechanism is in place as part of the application process to ensure that cumulation of aid does not exceed the maximum allowable aid intensities of the Scheme. Due diligence checks will be carried out for the duration of the scheme.

15. Monitoring and Reporting requirements

All recipients of aid under the Scheme will be informed that aid has been provided under the Scheme, registered under [To be completed] pursuant to Article 55 of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (General Block Exemption Regulation).

Records will be kept for 10 years from the date the last award of aid under the scheme. Records will be sufficiently detailed to establish that the conditions of the Scheme are met.

Details of any award exceeding €500,000 given under this scheme will be made publicly available via a State aid website within 2 years of this scheme being implemented.

An annual report on the expenditure under this Scheme will be provided to the Commission. The contact at the Council will be:

**Mr Martin Nicholls
Chief Operating Officer
Council of the City & County of Swansea
Civic Centre
Oystermouth Road
Swansea
SA1 3SN**

The Council shall provide the Commission with all the information and documentation the Commission considers necessary to monitor the application of this Regulation, within 20 days of such request from the Commission.

Contact information:

**Legal & Democratic Services
Civic Centre
Oystermouth Road
Swansea
SA1 3SN
Tel: + 44 (01792) 636000
E-mail: patrick.arran@swansea.gov.uk**

Schedule 1: Aid for sport and multifunctional recreational facilities

Eligible infrastructures

- The Stadium will not be used exclusively by a single professional sport user. Use of the infrastructure by other professional or non-professional sports users shall annually account for at least 20% of time capacity.
- Where the infrastructure is used by several users at the same time, corresponding fractions of time capacity usage shall be calculated
- The Stadium has facilities with a multi- functional character, offering in particular cultural and recreational services.

Access to the Stadium will be open to several users and granted on a transparent and non-discriminatory basis. These conditions must be made publicly available.

The pricing conditions for the Stadium's use by a professional sports club will be made publicly available on the Council website.

Any concession or entrustment to a third-party to construct and upgrade the Stadium will be assigned on an open, transparent and non-discriminatory basis and in line with EU procurement rules.

Eligible costs and aid amounts

For the purpose of calculating aid amounts and eligible costs, all figures used shall be taken before any deduction of tax or other charge. The eligible costs shall be supported by documentary evidence which shall be clear, specific and contemporary.

The costs of the project will be transparent and directly and exclusively related to the project.

Aid amounts

The aid amount will not exceed the operating losses over the relevant period. This will be ensured ex ante, on the basis of reasonable projections, or through a claw-back mechanism.

Prior Notification:

Aid can be awarded up to the following threshold under this scheme. Any aid that exceeds these amounts will require direct notification to the European Commission before aid can be awarded.

Operating aid for sports infrastructure	€2m per infrastructure per year
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