

*The following scheme provides the legal cover for award of support inline with the General Block Exemption Regulation. The scheme does not provide any additional funding or budget*



SKILLS FOR  
INDUSTRY  
SGILIAU AR  
GYFER DIWYDIANT



# Skills for Industry

State aid reference no: \*\*/\*\*\*\*

1. **Member State**

United Kingdom

2. **Region**

Wales

3. **Title of aid Scheme**

Skills for Industry, South West Wales Area

4. **UK legal basis**

Powers of the Welsh Ministers which allow the Welsh Government to provide training support under this Scheme are contained in:

- the Learning and Skills Act 2000 (Section 34)
- the Education Act 2002 (Section 14)

The legislation which gives effect to EC Law in Wales is:

- the European Communities Act (1972) (section 2 (1))
- the Government of Wales Act 2006 (section 80)

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## 5. **EC legal basis**

All aid provided under this Scheme will be within the limits set out in Articles 38 and 39 of Commission Regulation (EC) 800/2008 (General Block Exemption Regulation)<sup>1</sup>

Summary information relating to the Scheme has been registered with the Commission under reference \*\*/\*\*\*\*

## 6. **Definitions**

In this Scheme, the following expressions have the meanings 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<sup>2</sup>

“**Large enterprise**” means any enterprise that is not an SME

“**General training**” means training involving tuition which is not applicable only or principally to the employee’s present or future position in the assisted enterprise, but which provides qualifications that are largely transferable to other enterprises or fields of work. Training shall be considered ‘general’ if, for example:

- it is jointly organised by different independent enterprises, or if employees of different enterprises can attend the training; or
- It is recognised, certified or validated by public authorities or by bodies or institutions on which the United Kingdom has conferred the necessary powers.

“**Specific training**” means training involving tuition directly and principally applicable to the employee’s present or future position in the assisted enterprise and providing qualifications which are not or only to a limited extent transferable to other enterprises or fields of work.

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<sup>1</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:214:0003:0047:EN:PDF>

<sup>2</sup> [http://europa.eu/eur-lex/pri/en/oj/dat/2003/l\\_124/l\\_12420030520en00360041.pdf](http://europa.eu/eur-lex/pri/en/oj/dat/2003/l_124/l_12420030520en00360041.pdf)

See also the New SME Definition User Guide and Model Declaration  
[http://ec.europa.eu/enterprise/enterprise\\_policy/sme\\_definition/sme\\_user\\_guide.pdf](http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/sme_user_guide.pdf)

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**“Disadvantaged worker”** means any person who:

- has not been in regular paid employment for the previous 6 months;
- has not attained an upper secondary educational or vocational qualification (A level or equivalent);
- is over the age of 50;
- lives as a single adult with one or more dependents;
- works in a sector or profession where the gender imbalance is at least 25% higher than the average gender imbalance across all sectors and belongs to that underrepresented gender group; or
- is a member of an ethnic minority who requires development of his or her linguistic, vocational training or work experience profile to enhance prospects of gaining stable employment.

**“Disabled worker”** means any person:

- Recognised as disabled under national law; or
- Having a recognised limitation which results from physical, mental or psychological impairment.

## **7. Objective of the Scheme**

Through the collaboration of the SWW Further Education Colleges the project will adopt an innovative 'sector-based' approach to the delivery of vocational and generic skills training to 10,522 employed individuals, raising skill levels, and assisting employers and enterprises to adapt to economic change.

The project will establish a joint sponsorship arrangement between Gower College Swansea (as the lead sponsor) and the three other colleges that make up the South West Wales region, Coleg Sir Gar, Neath Port Talbot and Pembrokeshire College.

Skills For Industry will provide a strategic approach to the delivery of workforce development to support productivity and progression in employment, raising the skill levels and tackling skills gaps and shortages by providing lower skilled workers with vocational skills and qualifications up to level 2 and support demand led provision up to level 3 across a variety of occupational sectors including manufacturing, construction, auto motive, engineering, financial and professional services, care and tourism.

The project will aim to develop the skill levels of the workforce and assist individual progression by supporting interventions that ensure work placed learning provision meet the needs of employers and individual workers. To achieve this aim the project's delivery will be determined through ongoing

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dialogue with local employers and the Sector Skills Councils (SSCs) in order to support a demand-led approach to workforce development.

A comprehensive approach to the delivery of workforce development will be created to underpin a vision for the co-ordinated delivery of demand led training, and successfully increase the number of individuals receiving training. The approach will include three main stages.

#### Stage 1: Identification of Need

Information supplied by the Regional Learning Partnership's Learning and Skills Observatory will identify the skills gaps, requirements of local employers and potential targets groups for the project. This will be supported by information from Sector Skills Councils in relation to specific sector wide requirements and demand in the area of training and qualifications which will be articulated to and from the project through the Regional Provider Network Advocates.

#### Stage 2: Delivery of Industry Led Provision

The FEIs will

- Utilise the skills, resources, expertise and knowledge available, to provide a curriculum in an innovative and co-ordinated manner that meets the identified demands of both the geographical area and the industry concerned, through a mode of delivery that suits employers and awarding bodies.
- Collectively work closely with relevant SSCs to ensure that the training delivered within the project will be linked to, and recognised as part of the SSCs' Sector Qualification Strategies.
- Employer engagement will continue throughout the region, through focus groups, employer liaison teams, seminars, and individual training needs analyses to increase the number of employees recruited to the project, and ensure that the activities being designed, developed and delivered are appropriate in meeting the specific needs of employers.

#### Stage 3: Effective Monitoring of Provision

- Project staff will maintain close links with existing sector specific groups to ensure that the investment in training in these sectors is being maximised, and the provision being developed and offered is the most appropriate for the particular sector demand. The local sector specific groups will highlight and refer potential clients to the project, and also influence the provision to ensure that these requirements are being met and project targets are being achieved. This process will also include the valued input from both the SSCs, through the Regional Provider Network Advocate and the Regional Learning Partnership's Learning and Skills Observatory.

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## **8. Government body authorised to implement the Scheme**

Welsh Government

## **9. Scope of the Scheme**

Skills for Industry will be available to all of the enterprises of the South West Wales area and all sectors are eligible to participate. Training will be accredited, delivered at levels 2 and 3 and will focus on the skills needs of the employees and the skills gaps of the enterprise. Provision will be flexible and responsive to demand and may take place at the work place or in a more formal college setting.

Curriculum planning will be undertaken collaboratively by the Colleges and this will be informed by other stakeholders to ensure the training needs of the region as a whole are met.

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.
- Aid contingent upon the use of domestic over imported goods.
- Training for the Public 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). (shall we remove?)

## **10. Duration of the Scheme**

The budget over the period 1<sup>st</sup> July 2011 to 31<sup>st</sup> December 2015 has been estimated at £15.3 million of which approximately £9.176 million will be funded from structural funds (European Social Funds).

The GBER registration will expire in 2013. However, if the Commission make amendments to GBER during the timescale of Skills for Industry (2013 -2015) then the management team will seek appropriate applicable cover for the remainder of the project.

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## **11. 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 as follows:

- Subsidised Training

## **12. Eligible costs**

The costs of the project must be transparent and directly and exclusively related to the project. The relevant eligible costs are as follows:

- All direct eligible costs associated with the delivery, assessment and accreditation of training
- Trainers' personnel costs;
- Trainers' travel expenses, and accommodation;
- Other current expenses such as materials and supplies directly related to the project;
- Depreciation of tools and equipment used exclusively for the training project;
- Costs of guidance and counselling services with regard to the training project; and
- Trainees' personnel costs and general indirect costs (administrative costs, rent, overheads) up to the total of the other eligible costs. Only costs relating to the hours the trainee actually participates in the training will be taken into consideration.

## **13. Aid intensities**

The aid intensity shall not exceed the following percentages of the eligible costs:

	<b>Small enterprise</b>	<b>Medium enterprise</b>	<b>Large enterprise</b>
<b>General Training</b>	80%	70%	60%
<b>Specific Training</b>	45%	35%	25%

These aid intensities can be increased by 10% (up to a maximum of 80% of eligible costs) if the training is given to disabled or disadvantaged workers as defined above (see paragraph 6 above).

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Where the training project involves both specific and general training, or where the specific or general components cannot be established, the specific training aid intensities will apply.

Aid awarded under this Scheme will be granted up to a maximum of €2m per enterprise per project. Any award of aid in excess of this amount will require direct notification to the European Commission.

#### **14. Incentive effect**

Aid recipients must demonstrate that the aid is required for projects to proceed. Funding will not be awarded where the activity has already started before an application for support is made.

In addition aid will not be awarded to large enterprises unless the enterprise can establish that, if the aid is awarded, one or more of the following criteria will be met:

- a material increase in the size of the project/activity;
- a material increase in the scope of the project/activity;
- a material increase in the total amount spent by the enterprise on the project/activity;
- a material increase in the speed of completion of the project/activity concerned.

#### **15. 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 nor with aid classed as de minimis aid<sup>3</sup> in regard to the same eligible costs if the result would breach the aid intensities set out above.

#### **16. Budget**

Although there is no defined budget for aid under the scheme, it has been estimated that the total expenditure from 1<sup>st</sup> July 2011 – 31<sup>st</sup> December 2015 will be in the region of

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<sup>3</sup> Aid fulfilling the conditions laid down in Commission Regulation (EC) No 1998/2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:379:0005:0010:EN:PDF>

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£15.3 m, and will comprise a combination of domestic resources and European structural funds.

## **17. Monitoring and reporting requirements**

All recipients of aid under the Scheme will be informed that aid has been provided under the Scheme, registered under \*\*/\*\*\*\*, pursuant to Articles 38 & 39 of Commission Regulation (EC) No 800/2008 (General Block Exemption Regulation).

Records will be kept for 10 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 enterprise status (SME/large), type of training delivered, eligibility of supported costs and, where appropriate, categorisation of disabled/disadvantaged workers.

An annual report on the expenditure under this Scheme will be provided to the Commission.

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