EUROPEAN COMMISSION

Brussels, 19.X.2006
C(2006)5066

Subject: State aid No. N 356/2006 – United Kingdom
Historic Environment Regeneration Scheme – Extension of NN 95/2002

Madam,

1. PROCEDURE

By letter dated 6 June 2006, registered at the Commission on 7 June 2006 (A/34431), the United Kingdom authorities (“UK”) notified under the simplified notification procedure, pursuant to Article 88(3) of the EC Treaty, an extension of the above-mentioned scheme.

By letter dated 26 June 2006 (D/55317), the Commission asked the UK authorities to submit annual reports on the implementation of the scheme. By letter dated 26 July, registered at the Commission on 28 July (A/36124), the UK authorities asked the Commission to extend the deadline for providing this information, and the Commission agreed to extend the deadline until 1 September 2006 by letter dated 2 August 2006 (D/56639).

The UK authorities submitted the information requested by letter dated 1 September 2006, registered at the Commission on the same day (A/36902) and by letter dated 28 September 2006, registered at the Commission on 29 September 2006 (A/37693).

2. DESCRIPTION OF THE SCHEME APPROVED UNDER NN 95/2002

On 13 May 2003 the Commission approved the aid scheme “Individual cases of application based on the Historic Environment Regeneration scheme” under State aid number NN 95/2002\(^1\) on the basis of Article 87(3)(d) of the EC Treaty. The scheme, which is limited until 31 December 2006, aims at promoting heritage conservation. The authorities charged with the implementation of the scheme are: English Partnerships, Regional Development Agencies in England, Local Government Offices in England, Historic Scotland, Highlands and Islands Enterprise, Scottish Enterprise network and Scottish Local Authorities as administrative.


The Right Hon Margaret Beckett
Secretary of State for Foreign and Commonwealth Affairs
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According to the approved scheme, eligible objects are ancient scheduled monuments, registered historic parks and gardens, listed historic buildings and designated conservation areas. There are no restrictions on who could be the recipient under the scheme, except that the beneficiary must be the owner of the aided structure.

The aid takes form of a direct grant for the repair, restoration and rehabilitation of an eligible object of up 100% of the eligible costs. The grant under this scheme may be cumulated with other forms of public financing, but never more than the total relevant costs of the work.

In its decision of 13 May 2003 the Commission found that in so far as the aid awarded under the Historic Environment Regeneration scheme is limited to covering the additional heritage related costs, such aid promotes heritage conservation without affecting trading conditions and competition in the Community to an extent contrary to the common interest in the meaning of Article 87(3)(d) of the EC Treaty. The Commission also underlined that in case the UK would wish to provide aid under the scheme to cover costs other than strictly heritage related, such aid would not be covered by the Commission’s decision and should be notified in advance pursuant to Article 88(3) of the EC Treaty.

3. DESCRIPTION OF THE MEASURE SUBJECT TO NOTIFICATION

With the present notification the UK authorities ask the Commission to approve the extension of this scheme until 31 December 2013. The UK authorities believe that the extension is necessary to continue achieving the scheme’s objectives: i.e. to preserve and restore the historic buildings and areas.

According to the annual reports submitted by the UK authorities, in the 2004 financial year the total spend under the scheme was £15,759,541 (ca. EUR 22,500,000) and in 2005 it was £15,972,830 (ca. EUR 22,900,000). The UK authorities also estimate that the use of the scheme will increase year by year, because most projects need significant lead time before committed funds are spent. The estimated budget for 2007-2013 is £25,000,000 per annum (ca. EUR 38,000,000).

Apart from the prolongation of the existing authorised aid scheme until 31 December 2013, no other modifications have been proposed. All the conditions and terms of the previously authorised State aid scheme remain intact and unchanged. The UK authorities confirm that they will maintain the commitments entered into upon notification of the existing approved scheme.

4. ASSESSMENT OF THE MEASURE

The UK authorities have complied with the procedural requirements of Article 88(3) of the EC Treaty by notifying the above-mentioned extension before putting it into effect.

The prolongation of the scheme from 1 January 2007 till 31 December 2013 is the only notified amendment to the aid scheme and all the conditions of the previously authorised NN 95/2002 aid scheme remain intact and unchanged.

2 The UK authorities indicate that spend under the scheme in 2003 was nil, because projects, which might have been covered by the scheme, were at a relatively early stage of development.
Thus the aid scheme continues to be compatible with the common market pursuant to Article 87(3)(d) of the EC Treaty. The prolongation of the existing authorised aid scheme until 31 December 2013 does not change the positive opinion that the Commission has expressed in the previous authorisation letter\(^3\) on the aid scheme.

5. **DECISION**

The Commission has accordingly decided not to raise any objections to the notified prolongation of the aid scheme NN 95/2002 “Historic Environment Regeneration Scheme” until 31 December 2013, as it is compatible with the common market pursuant to Article 87(3)(d) of the EC Treaty.

If the situation should arise that the United Kingdom would wish to provide aid under the scheme to cover costs other than strictly heritage related, such aid would not be covered by the present decision and should be notified in advance pursuant to Article 88(3) EC Treaty.

The Commission reminds the United Kingdom authorities of the reporting obligations on the implementation of the scheme under the Commission Regulation (EC) 794/2004 of 21 April 2004\(^4\). Additionally, the Commission reminds the United Kingdom authorities that all plans to alter or modify this aid scheme have to be notified to the Commission.

If this letter contains confidential information, which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site:


Your request should be sent by registered letter or fax to:

European Commission  
Directorate-General for Competition  
Directorate for State Aid  
State Aid Greffe  
B – 1049 Brussels  
Fax No.: +32 2 296 12 42

Yours faithfully,  
For the Commission

*Neelie Kroes*  
Member of the Commission