

Subsidy Control and State aid FAQ's

Q. What is Subsidy Control?

A. Any advantage granted by public authorities to a specific business through state resources. This can take many different forms, including direct financial support in the form of grants or non-financial support in the form of business support.

Q. What is State Aid?

A. State Aid is the EU terminology and Subsidy Control is the UK's replacement for State Aid after the UK's departure from the European Union (EU).

Q. Which OxLEP support constitutes an EU State Aid or a UK Subsidy?

A. The Growth Hub programme provides business support as a Minimal Financial Assistance (MFA) subsidy. This includes support provided under programmes funded through the UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF).

The now closed eScalate and ISfB programmes provided State Aid under the EU's De Minimis regulation 1407/2013 of 18.12.2014 OJ L351/1 of 24.12.2013.

Q. How will I know if the support my business receives is a State Aid or MFA?

A. If your business signs up for a programme of support then the State Aid or MFA position should be clear at that point, as it is in the Growth Hub Business Support Action Plans, webinar/workshop sign up information on Eventbrite and previously on the programme sign up forms for eScalate and ISfB. You should also be notified of the value of the aid that you will receive.

Q. How do I find out how much State Aid or MFA my business has received from OxLEP?

A. Upon receiving your Business Support Action Plan, signing up for a webinar/workshop or previously on signing up to eScalate or ISfB, you will be provided with an estimate of the maximum value of the support that you could receive. At the end of each financial year, you will receive a letter detailing the value of the support you have actually received. If at any point you want to know, please just contact the team who can provide you with this information. Remember that the value of the aid or subsidy that needs to be declared when requested is the estimate of the maximum aid you could receive until your involvement in a programme ends, at which point the value becomes that which you have actually received.

Q. I've received a State Aid or MFA notification letter from OxLEP, but I didn't sign up to any of the programmes you run, why have I received a letter?

A. OxLEP is legally obliged to provide every business which accesses our support with a State Aid/MFA notification letter. If, for example, you attended a webinar but didn't sign up to the programme you still received aid in the form of business support and we still need to notify you of the value of this.

Q. Has OxLEP used the attendance of my business at a workshop to claim funding?

A. No. The business support OxLEP provides is fully funded and your attendance at a workshop is not directly linked to the funding that we draw down. In accessing this support, you have received State Aid or MFA and therefore OxLEP needs to notify you of this.

Q. How much support can I receive as MFA?

A. Under the De Minimis scheme you could receive up to 200,000 euros of aid over a three fiscal year rolling period (the current and two previous fiscal years). Under MFA you can receive up to £315,000 of aid over a three fiscal year rolling period (this includes any De Minimis aid received in the same three fiscal years).

Q. What's the difference between De Minimis and Subsidy Control?

A. De Minimis is an EU State Aid scheme. Other than EU funded programmes such as ERDF and ESF or contracts entered into while the UK was a member of the EU and which are not subsequently varied, State Aid ceased to apply from the point of the UK's departure from the EU.

Subsidy Control (under the UK Subsidy Control Act (2022) and The Subsidy Control (Gross Cash Amount and Gross Cash Equivalent) Regulations (2022 No. 1186)) is the replacement for the EU State Aid scheme. Subsidy Control regulations allow a business to receive up to £315,000 of subsidy under the Minimal Financial Assistance (MFA) exemption. This subsidy can be received over the same three fiscal year rolling period.

In either case, the two allowances cumulate. This means that the total value of both De Minimis and MFA needs to be declared when assessing your eligibility to receive new MFA aid.

Q. What does a three fiscal year rolling period mean?

A. This means the current and previous two fiscal years, i.e. 6th April – 5th April.

Q. How do I know if my business has received a State Aid or MFA in the past?

A. If you are not sure whether you've received any De Minimis aid or MFA subsidy or need any more information on aid that you have received, you should check your previous award letters or with the organisations who provided you with the publicly funded support, who will be able to confirm.

Q. I have been asked to report how much State Aid I have received in Euros, what exchange rate should I use?

A. For ISfB and eScalate, the letter you received on signing up to the programme or on the awarding of a grant will have included the exchange rate or the Euro equivalent of the aid. The Euro value will also be in the letter you receive at the end of each fiscal year. For aid received through the Growth Hub, or if you have any questions regarding this, please contact the team who will be able to confirm.