

STATE AID CREDENTIALS



OUR EXPERIENCE AND APPROACH

What do we do?

We provide advice to public sector and private sector clients on the application of the EU state aid rules.

- ▶ For public sector clients, this includes advice on projects backed by the European Structural Investment Fund (**ESIF**). Our team has substantial experience of advising public sector bodies on how the state aid rules apply and on the various funding routes which are compatible with the EU Treaty rules (including the General Block Exemption, which provides a "route map" for particular categories of funding, such as R&D, environmental aid, training aid and aid to SMEs).
- ▶ For private sector clients, our team has considerable experience of advising on inward investment decisions, grant applications and on the compatibility of other forms of direct and indirect Government funding and support (including advice on whether such measures are consistent with the Market Economy Operator Principle).

How do we do it?

Our team works closely with colleagues in our projects team (who take the lead on project delivery and finance aspects) and our market-leading procurement team in order to structure funding arrangements in a way which is state aid compliant. Where appropriate, we work in conjunction with third party advisers (for example, where the client requires economic/accounting support on the application of the Market Economy Operator Principle).

What makes us different?

The strength of our firm's public sector credentials means that we advise on a significant number of state aid cases for public sector entities. We also advise a substantial number of private sector (and "third sector") entities on funding models – particularly in respect of more complex projects such as public-private partnerships. In addition, we advise clients on strategies for challenging state support which could distort competition (for example, through the submission of a Freedom of Information Act request and complaint strategies).

This volume and variety of work means that we have strong contacts within the relevant Government departments and can provide pragmatic, risk-based advice to our clients on state aid compliance (and how to minimise the risks of subsequent challenge on state aid and/or procurement grounds in the event of a subsequent audit).

Our recent experience includes advising:

- ▶ Various clients, including Manchester City Council, Britain's Energy Coast, Hull City Council and Greater Manchester Chamber of Commerce on the application of the state aid rules to the use of grant funding and new developments;
- ▶ Multiple public authorities on funding arrangements for inward investment (establishment of centres of excellence; support for SMEs; training aid and advice on R&D);
- ▶ A leading financial services client on the application of state aid rules to export credit guarantee schemes and the application of the European Commission's state aid Commitments;
- ▶ A leading network infrastructure manager on the state aid implications of strategic alliances with users of its (publicly funded) network and commercial ventures with third parties;
- ▶ Energy Works (an "energy from waste" gasification plant) on the implications for its state aid clearance (SA.34051) of the UK government's move from ROCs to CfDs;
- ▶ The £400m Gas to the West project in Northern Ireland, which included a £20m state aid compliant grant from the relevant Northern Irish Government Department;
- ▶ A public authority on its successful application for ERDF funding to help develop a series of combined heat and power projects in the region;
- ▶ Several Sector Skills Councils on the EU state aid implications of new projects and associated funding applications to the UK Commission for Employment and Skills and the Skills Funding Agency; and
- ▶ An arm's length body on the state aid aspects of establishing a joint venture with a third party to engage in R&D activity in the energy industry (including advice on potential funding models).

Superb competition group

CHAMBERS

*The competition practice is
"regarded as 'excellent',
'informative', 'clear' and 'proactive'*

LEGAL 500



BRUCE KILPATRICK

Partner

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Bruce leads our Competition team and specialises in EU competition law, state aid and regulatory matters. His relevant experience includes advising:

- ▶ A major (Big 6) energy supplier on state aid issues relating to UK Energy Market Reform and CfD regime
- ▶ On EU state aid and EU and UK regulatory issues on a wide range of confidential matters in the rail sector (on behalf of Network Rail), including new business initiatives, strategic alliances with transport operators and the implementation of ERTMS signalling infrastructure on the GB rail network
- ▶ Clients in the financial sector on the state aid implications of the NewBuy and Help To Buy schemes
- ▶ National Nuclear Laboratories on the state aid aspects of the establishment of the UK/Chinese Joint Research and Innovation Centre and
- ▶ A major industrial FTSE 100 client on a number of confidential state aid matters.



AL MANGAN

Managing Associate

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Al advises on a wide range of competition law issues, with a particular focus state aid, merger control and behavioural issues. He trained as an economist as well as a lawyer and has previously worked for the Competition Directorate of the European Commission. Al is listed in the Legal 500 2018 and Who's Who Legal 2018 (as a future competition leader).

Al's recent state aid experience includes acting for:

- ▶ Royal Bank of Scotland in respect of its state aid Commitments to the European Commission; and the application of state aid rules to export credit guarantee schemes
- ▶ Engie, on the state aid aspects of its participation in a new local authority-backed district energy scheme, which included various forms of state funding including through a Local Enterprise Partnership (LEP) and a grant from the UK government Heat Networks Investment Project (HNIP)
- ▶ Energy Works on the implications, for its state aid clearance, of the UK government's move from ROCs to CfDs
- ▶ Various clients, including Luton Borough Council, Manchester City Council, Britain's Energy Coast, Hull City Council and Greater Manchester Chamber of Commerce on the application of the state aid rules to the use of grant funding and new developments

- ▶ Merseytravel, on the application of the state aid rules to various investments in transport infrastructure and operations
- ▶ Advising Warrington Borough Council on how the state aid rules would apply to the creation of, and investment in, a new challenger bank for the region and
- ▶ Several Sector Skills Councils on the EU state aid implications of new projects and associated funding applications to the UK Commission for Employment and Skills and the Skills Funding Agency.



CLARE WALKER

Associate

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Clare is an associate in the competition team and specialises in all aspects of competition law, including state aid. Her recent state aid experience includes advising:

- ▶ Leeds City Council on the state aid implications of its district heating scheme, including its applications for ESIF and HNIP funding and use of a loan and/or grant from the LEP
- ▶ Dacorum Borough Council in respect of how state aid could affect its options for the development of Council-owned land
- ▶ Cheshire East Council on the state aid aspects of its Digital 2020 broadband programme, including its application for ERDF funding
- ▶ Luton Borough Council on the state aid implications of a potential sale of land at undervalue
- ▶ Hitachi Europe on the state aid aspects of its application for ERDF funding in connection with its Smart Energy Islands project and
- ▶ National Nuclear Laboratories on the state aid aspects of the establishment of the UK/Chinese Joint Research and Innovation Centre.

...exceptionally bright, affable, experienced and down to earth

CHAMBERS– CLIENT FEEDBACK ON BRUCE KILPATRICK

They engage very well with clients and go out of their way to provide support

They have deep experience in the competition law arena, and are able to draw on previous work to inform us of the process and how to develop our own responses

...exceptional client skills

LEGAL 500 – CLIENT FEEDBACK ON CLARE WALKER

CHAMBERS

addleshawgoddard.com

Aberdeen, Doha, Dubai, Edinburgh, Glasgow, Hong Kong, Leeds, London, Manchester, Muscat, Singapore and Tokyo*

*a formal alliance with Hashidate Law Office

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