



## Creative Wales Development Fund (CWDF) 2021

### EXTERNAL GUIDANCE NOTES

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These guidance notes are intended to help you to complete the funding application for Creative Wales's Development Fund (CWDF).

#### 1.1 Purpose of fund

The aims of this fund are:

##### TV sector:

- To provide financial support to enable indigenous production companies to fully develop projects to give a greater chance of getting the project commissioned, greenlit and into production.
- To support the retention of IP by indigenous companies which, in turn, will enable further growth.

Types of previously supported projects include:

- an internationally distributed historical documentary,

- a daytime prime time factual entertainment show,
- a pre-school animation series

### **Games, Animation, VFX, Immersive and Creative Services sector:**

- To provide financial support for the development of new games, animation concepts, immersive, VR / MR (Createch) concepts and content development and delivery platforms / services in the creative industries.
- To enable businesses to further market these projects to gain commercial investment, which would otherwise have been difficult to establish without the development funding.
- To support the retention of IP or growth opportunities by indigenous companies which, in turn, will enable further growth in the sector.

Types of previously supported projects include:

- A new game concept
- A project to link film locations with mapping applications for tourism development
- A technology solution to enable remote post production
- An augmented reality training application
- An immersive multiplayer VR game with e-sports integration for events and entertainment

## **1.2 Background**

The Creative Industries have been one of the fastest-growing parts of the Welsh economy for nearly a decade, creating jobs and wealth, contributing to a strong national brand and promoting Wales in the world. Creative Wales is an internal agency within Welsh Government which has been set up specifically to further support the growth of the creative industries in Wales and to offer a streamlined, dynamic and innovative service to the sector.

The New Creative Wales Development Fund will initially include two strands focussing on supporting projects within the TV and digital content sectors (including games, animation, Createch and creative services).

This funding is aimed at Wales based businesses developing content, products and services in the Creative Industries. This round is not intended to support projects in the wider tech sector.

There is £1.5m available for projects in this funding round. A maximum of £25,000 will be available per successful project.

Development funding is designed to enable a business to get to the stage where they can fund their own ongoing growth. It is not intended to be a repeat fund, rather that the opportunity is utilised to make a step change in revenue for the business that has a long term, lasting effect.

### 1.3 Application Process

This Call for funding proposals will commence on Monday 13<sup>th</sup> September 2021, and will close to applications on Monday 11<sup>th</sup> October at 12.00 noon. No late applications will be considered.

Before you apply you have the option to discuss your proposal with one of the Creative Wales Sector Development Managers via E-mail at [CreativeWalesFundingSupport@gov.wales](mailto:CreativeWalesFundingSupport@gov.wales).

Our team can provide advice on eligibility and where appropriate give further guidance on your proposal.

For an application form please E-mail [CreativeWalesFundingSupport@gov.wales](mailto:CreativeWalesFundingSupport@gov.wales).

Please note – discussing your project with a team member does not imply approval or assessment of your proposal. This is a competitive scheme where all projects will be assessed and scored to a standard criteria.

Applicants will need to answer all sections of the application form and include all requested supporting information, including full financial details and planned milestone payment schedules for the grant. Completed application forms should be submitted to [CreativeWalesFundingSupport@gov.wales](mailto:CreativeWalesFundingSupport@gov.wales).

Please note – the Creative Wales team will not provide comments on completed application forms.

Due Diligence will be undertaken on all applications. This will include a review of your financial projections, a fraud check, and checks on Directors of your company. If you are involved in a business which is in debt to the Welsh Government, you are unlikely to be able to apply for further funding and should discuss this with us in advance of any application.

You will be asked to select a number of outputs for your project on the application form. These will be formally measured during and after the project for up to 2 years following project closure.

This is a competitive grant and not all applications will be approved. You should not start on the project until your application is approved and an offer letter has been issued. If you do so, you may invalidate your application completely, even if successful.

## Project Appraisal

Funding from Creative Wales is awarded to projects that are in line with the following key principles:

<b>Key principles of funding from Creative Wales :</b>
Funding awarded to businesses should:
<b>Strategic Fit</b> Deliver our priorities for the creative industries in Wales - Funding will be designed to deliver Creative Wales' ambitions for the creative industries, and the priorities set out in the Welsh Government Programme for Government. It will maximise opportunities to support skills and talent development, diversity and inclusion in its widest sense, fair work, sustainability, and promote our culture and Welsh language. Funding will be prioritised towards those projects that make a difference to the creative industries landscape in the Wales over the medium to long term.
<b>Maximise the benefits to Wales, including economic benefits</b> Funding will be targeted at projects that maximise return on investment, to ensure limited budgets deliver maximum value for Wales.

Your application should be tailored to show how the above principles are met.

All projects will be appraised in two stages:

- **First stage** – checks will be undertaken to ensure that all the basic eligibility criteria have been met, including alignment of the project with our key principles of funding as outlined in the table above. Applications / projects that do not meet all of the eligibility checks (see section 1.4), or do not meet our strategic objectives for funding, will be rejected.
- **Second stage** – Applications that have met all the eligibility criteria above, and are in line with our key principles of funding, will be appraised by an assessment panel according to the appraisal criteria in Annex 1. Projects achieving a minimum pass score will be recommended for Ministerial approval, subject to budget availability (in situations where multiple projects are above the pass score, but budget is not available to support all, projects are ranked with the highest receiving funding).

## Project Approval

- All assessed proposals will be submitted to Welsh Government Ministers for final approval.
- Following Ministerial consideration, applicants will be informed of the final decision and offer letters will be issued to successful applicants
- Offer letters will need to be signed and have one copy returned to Welsh Government before project initiation

## **Appeals**

Creative Wales Development Fund is a discretionary fund with no appeals.

Unsuccessful applicants will be notified via email following the assessment panel decision.

### **1.4 Timescale**

The fund will open for applications from Monday 13<sup>th</sup> September 2021, and will close to applications on Monday 11<sup>th</sup> October at 12.00 noon.

We will assess applications by the 5th November, and confirm an outcome by the 12th November, however this timing is dependent on the number of applications received.

The eligible funding period will cover the date of approval on the offer letter until 31<sup>st</sup> March 2023.

No late applications will be considered.

### **1.5 Key criteria for applicants**

- Applicants must be operating within the creative sector in Wales.
- Applicants must be based and operating & employing staff in Wales.
- Applicants must be able to produce at least one year's fully independently certified accounts or audited financial statements (you do not need to be VAT registered if your total turnover is below the registration threshold).
- We will only consider applications from Start Up enterprises in the case where company founders or Directors have a previous demonstrable track record of projects in a similar field.
- The fund will not cover costs which have been previously supported via other grant funding (for example the Welsh Government Economic Relief Fund) or which are currently supported by other public funds.
- Applications must represent good value for money which will form part of the assessment. Please only apply for what you need and not the maximum amount, unless the maximum amount is required.
- Organisations or businesses receiving support through this scheme will be expected to align with the ethos and principles of the wider Cultural Contract (see below for more information).

Development funding is designed to enable a business to get to the stage where you fund your own ongoing growth. It is not intended to be a repeat funding provision, rather that the funding is utilised to enable you to create a long lasting, sustainable revenue stream for your business and create a lasting, positive impact on your sector.

## 1.6 Eligibility - Who can apply?

### TV

- Independent production companies based in Wales.
- Companies must have a track record (i.e. have produced a previous TV project which has been commercially distributed within the past three years). The individual track record of the company director / CEO and/or shareholder of the company will also be acceptable.
- Applicant companies must have their head office address in Wales.
- Applicant companies must be the majority rights holders of the project (in the case of co-productions, they must own at least 50% of the rights).
- The applicant company can be any size, but must be an independent production company with a SIC code which demonstrates that production is their main activity.
- We cannot support applications from individuals unless they have an established company with a relevant SIC code. Only legal owners of the production company will be eligible to apply for this funding.

### Games, Animation, VFX, Immersive and Creative Services

- Companies based in Wales producing commercial digital content based products and services, including but not limited to games, animation, VFX, creative services businesses and Createch businesses.
- Applicant companies must have a track record in developing digital content / services, or have a track record in developing traditional content and identified a new route to market or new services. The individual track record of the company director / CEO and/or shareholder of the company will also be acceptable.
- Applicant companies must have their head office address in Wales.
- Where IP is developed and retained, applicants must own at least 50% of the rights. We appreciate that platforms cannot easily be protected in this way, but in this case you should show that significant returns are expected in Wales. Specific clauses may be required relating to IP, this will be discussed with you if your application is successful.
- The company can be any size, but the primary activity of the company must be digital content based products and services within the creative industries in Wales.
- This fund is not designed for general 'software as a service' or 'tech' ventures outside of the Creative Industries.

## **General Conditions of application:**

As a condition of funding you will agree to undertake up to 3 years of joint publicity with Creative Wales and will be asked to supply a bank of images and video, and relevant rights, from the project for us to use in press and publicity.

We would like to add all our applicants to our marketing database to ensure you receive timely information about further support options from Creative Wales.

## **What kind of projects do we want to see?**

### **Common to all applications**

We will prioritise projects which can demonstrate the following;

- Meet with our key funding principles and have the potential to generate long term growth
- Projects which can start and make at least one claim (based on defrayed expenditure) before March 22.

We do not want to see these kind of projects:

- Non-commercial, third sector or other public sector projects
- Projects which already have a substantial component of public funding
- Projects previously supported
- Projects which are the first venture for a new start up with no track record
- Projects which primarily consist of marketing or capital costs – we expect the majority of these projects to include significant staff time in creation of new work

## **TV Technical Criteria**

### **Mandatory**

- Project must be intended for TV broadcast (Eligible projects include; Factual/documentary, drama, animation and comedy intended for TV broadcast)
- Project is full length and not short form content  
Applicant is majority rights holder to the project

### **Desirable**

- Welsh talent development
- Projects with a cultural significance
- Potential for international distribution
- Projects with potential for further IP exploitation (multi-platform)
- Projects which can demonstrate and address underrepresentation both in front and behind the camera
- Initial interest from broadcasters and/or distributors

## **Games, Animation, VFX, Immersive and Creative Services Technical Criteria**

### **Mandatory**

- Commercially focussed projects that have Initial interest from a publisher or broadcaster or other platform, or other evidence of route to market\* or potential for further investment at the end of the development work
- Projects should either be completed and launched (revenue generating) by the end date, or in the case of a prototype, ready to demonstrate to a number of potential investors by a fixed date (often known as a 'vertical slice').
- IP retained in Wales in the case of content projects, or a significant commercial return in Wales in the case of platforms / services or other digital creative initiatives

### **Desirable**

- Commercial projects that have initial interest from a publisher or broadcaster or other platform, or other evidence of route to market\* or further investment
- Match funding
- The potential to develop exponentially, either through IP exploitation or a mass market reach or white label re-use
- A product or service that demonstrates excellence in digital design, user experience and implementation.
- Projects that have an aspect that is unique to Wales or showcases Welsh literature, language or culture
- The ability to be sold in international markets

\* The following are considered good evidence of a route to market:

- Initial interest from broadcasters, publishers or distributors in the specific concept
- Joint investment confirmed from significant partner
- An existing channel that can be used to market the product

What projects do we not want to see?

- Operational improvements to existing businesses which should be 'business as usual' – new websites, digitisation or automation of routine processes etc.
- Projects in the 'tech' or 'software as a service' space not related to the Creative Industries – for this call we are asking for content or creative industries service / platform based projects.

### **Supporting Documentation**

#### **TV**

Applicants will be asked to provide a project outline, a detailed development budget and correlating development strategy for their project as well as information on their intended audience and platform. Any expression of interest from broadcaster, distributor or funder should also be provided.



## **Games, Animation, VFX, Immersive and Creative Services**

Applicants will be asked to provide a cash flow plan for the project which includes costs of build, and also sales projections for 12 months following completion of the work.

All applicants are asked to complete a pitch deck, including visuals, a video or other content 'teasers'.

### **What can you apply for?**

Applications can be made for funding from the Creative Wales Development Fund for up to a maximum of £25,000.

For this scheme there does not need to be any 'match' funding, Creative Wales will pay 100% up to £25,000 per project. However, any cash (non-public sector) match funding leveraged will be welcomed as it will increase the impact, enable our funding to go further and make your case for support stronger.

Development costs will only be covered for a maximum period of 18 months. It will not be possible to claim for any retrospective costs, or to extend the project beyond that timescale.

Companies may submit a maximum of **two** applications per funding call. Applicants that already have funding in place for a separate ongoing project should consult with Creative Wales before making a submission to this fund, as this may not be permitted.

Funding is non repayable, however if targets are not met (i.e. the product is not completed, significantly delayed or appropriate claim information is not submitted) – the funding will be clawed back.

All applications will be considered on an individual basis and payment of this grant is at the absolute discretion of the Welsh Government.

### **What we won't fund:**

- Any capital costs such as large scale building developments or renovations;
- Start-up costs, e.g. equipment and office space, recruitment costs etc;
- Costs incurred before the start of award of funding (signed offer letter received by us);
- Redundancy costs;
- Recoverable VAT; Significant historic debt (prior to 1 April 2020);
- Costs related to promoting the cause of beliefs of political or faith organisations;
- Anything which is in contravention of Welsh Government legislation or advice on Covid-19;
- Any kind of activity which in our opinion could bring the Welsh Government into disrepute;
- Costs funded from other sources of public funding;
- Significant historic debt (prior to 1 April 2020);
- A sum to cover lost income or to re-inflate your reserves;
- Projects which depend on, or encourage, free labour.

## 1.7 Eligible Costs & Ineligible costs

### TV

All development activities including:

- Research and recce costs
- Preparation of a treatment/bible
- Script writing
- Preparation of a production budget
- Preparation of a finance plan
- Costs relating to taking the project proposal to a market/festival
- Preparation of a marketing strategy
- Shooting of a promo/pilot

### Games, Animation, VFX, Immersive and Creative Services

Eligible costs include wages, freelancer costs, materials and resources specific to the project. Please ensure costs are broken down into detail on each area of the project. For example:

- Animation projects:
  - Rights/script costs,
  - Salary costs,
  - Music and recording costs
  - Editing costs
- Games projects
  - Development Costs i.e. salaries
  - Story consultancy
  - VFX Costs
  - Music and recording costs
  - IP rights/Legal costs
- Projects from design, digital or advertising / marketing agencies
  - Salary Costs
  - Contracting/Legal costs
  - Prototype development costs
  - Legal costs
  - Teaser promo costs

Please note - We cannot accept 'other' as description of costs / line item in applications.

### Ineligible Costs

- Overheads
- Debt and debt service charges
- Interest payments
- Costs incurred which are not specific to this project
- Marketing costs (over 5% of the project value)

## **1.8 Outputs and outcomes**

The funding will focus on a number of key outputs and outcomes, including:

- Spend on Wales based products, services and workforce
- IP created / retained
- No. jobs created
- No. of individuals / freelancers supported
- Contribution to eligible growth of the eligible sector in Wales (turnover, employment, businesses etc.)
- Addressing sector underrepresentation
- Promoting Welsh language
- Increase in skills levels
- Increased spend on R&D (commercialisation)
- Opportunities for the improvement of sustainability
- Increased opportunities for crew

Applicants will be asked to select relevant outputs at the point of application, and these will be noted on the offer letter.

## 2. Claiming process and conditions of fund

### 2.1 Claim Schedule

You are asked to give a planned payment schedule for the complete funding period for your project between November 2021 and March 2023.

A minimum of 3 claim periods will be a **mandatory** condition of grant for projects covering up to two financial years 2021/2022 and 2022/2023, and dates for claim submission will be set out in the offer letter. However, additional claims can be submitted at any time in addition to these set deadlines. If you require additional claim periods, please add to the table provided in the application form.

### Payment and Monitoring

- If your application is successful, payment conditions need to be met as set out in the offer letter schedule.
- The funding will be paid in arrears as default. In exceptional cases funding can be paid in advance, where an applicant can demonstrate a satisfactory business case.
- Arrears claims will be paid on evidence and completion of a forecast spend profile and claim form, by no later than the end of March 23. Advance claims will be paid quarterly based on forecast costs and reviewed at each quarter for the remaining project period. Evidence of spend will be required at the end of each quarter.
- A schedule for claims and profiled spend will be set out as an agreement in the offer letter. The Welsh Government reserves the right to review the award of funding if agreed schedules are not met.
- **'Costs Defrayed'** is the costs of goods which are discharged by payment or otherwise settled by you. Defrayed evidence will be required for all organisations whether claims are based on advance or in arrears.
- Claim forms will be issued on request and can be submitted via E-mail to [CreativeWalesFundingSupport@gov.wales](mailto:CreativeWalesFundingSupport@gov.wales). Project being paid in arrears will need to provide full evidence before any payments as made. Detail of what you need to provide at claim stage will be included in your offer letter.
- Once approved, payment will be made within 4 working days.

### Post Completion Monitoring

Delivery and achievement against agreed outputs will continue to be recorded for up to 24 months following completion of the project and will be a condition of the grant offer.

The Welsh Government is committed to evaluating the success of this grant and intends to undertake an internal evaluation of the Creative Wales Development Fund. It is anticipated that this research will examine the implementation and impact of the activities that have been delivered. It will assess the extent to which the outputs and outcomes can be attributed directly to the scheme activities and examine whether wider anticipated or unanticipated effects have been realised.

The Welsh Government or a third party acting on behalf of Welsh Government may contact you for the purpose of research and evaluation and/or to give feedback on your experience

of the scheme. This information will be analysed and presented anonymously in line with the Privacy Notice

## **Grant Repayment**

Applicants should note that the Welsh Government may require repayment of the grant in full or part if the funds are not used for the purposes stated on the application form. The applicant is entering into an agreement and this will be enforced by requesting proof, post grant award.

## **2.2 UK Subsidy Control**

**As part of your application you will need to provide details of any previous funding your business has received.**

Support aligning with the EU [‘Temporary Framework for State Aid Measures to Support the Economy in the Current COVID-19 Outbreak’](#) may be paid in compliance with the Principles set out in Article 3.4 of the TCA and in compliance with Article 3.2(3) of the TCA under the COVID-19 Business Grant Allowance (subsidies granted on a temporary basis to respond to a national or global economic emergency). More information can be found here [Wales Cultural Recovery and Reconstruction Fund | GOV.WALES](#)

All recipients of subsidy under the Scheme will be informed that aid has been provided under the ‘Welsh Cultural Recovery & Reconstruction Fund’ Scheme or aligned with the EU Temporary Framework to support the economy in the context of the COVID-19 outbreak.

In line with the UK’s commitments under the UK-EU Trade and Cooperation Agreement, the Welsh Government shall provide interested parties with all the information and documentation considered necessary to demonstrate compliance with the UK subsidy control regime within one month of such a request being made.

## **2.3 The Cultural Contract**

The funding award will be aligned to support the wider policy context of Welsh Government, with successful applicants encouraged to sign up to a ‘menu’ of commitments to ensure public investment is deployed with a social purpose. This aligns to the Welsh Government’s ‘Economic Contract’ and include areas such as:

- Fair Work
- Diversity and inclusion – gender, Welsh language, Black, Asian and Minority Ethnic representation etc.
- Skills and talent development
- Sustainability & Climate Resilience

Successful applicants will be required to sign up to a commitment to complete a full Cultural Contract template within 3 months of the offer of funding. Applicants who have already received funding from other funding rounds will only need to sign up to complete a Cultural

Contract once. More details and additional support will be provided to support organisations develop their contracts. Further information can be found [here](#).

## **2.4 Publicity**

All successful applications will need to:

- Agree to be included on all publicity, press releases and marketing material we produce.
- Agree to include a *Supported by Creative Wales* credit on their end roller, should the project be produced.

As a condition of funding you will agree to undertake up to 3 years of joint publicity with Creative Wales and will be asked to supply a bank of images and video, and relevant rights from the project for us to use in press and publicity. Any issues relating to this should be discussed with a Creative Wales team member. Successful applicants will be notified and informed prior to the general release of material.

We would like to add all our applicants to our marketing database to ensure you receive timely information about further support options from Creative Wales, but this is not a condition of funding.

## **2.5 Welsh Language**

The Welsh Government is committed to promoting and growing the Welsh language. The creative industries play a key role in contributing to the Welsh Government's priorities for the Welsh language and the target of a million Welsh speakers by 2050 as set out in Cymraeg 2050. We welcome applications for projects that support our ambitions and maximise opportunities to promote the Welsh language. Welsh language priorities are one of a range of areas we will consider as part of our assessment of strategic fit when reviewing projects.

## **2.6 The Well-being of Future Generations (Wales) Act 2015**

The objectives of the Act show how each public body will work to achieve the vision for Wales set out in the 'well-being goals'. [The seven well-being goals](#) show the kind of Wales we want to see. The Act makes it clear that the listed public bodies must work to achieve all of the goals, not just one or two. Reference to and explanation as to how your project meets these goals will be important in the assessment of an application.

## **2.7 Privacy Notice**

Please ensure you have read, understood and accept the 'Guidance Notes', 'Cultural Contract' and 'Privacy Notice' **before** you start the application.

- Link to [Cultural Contract](#)
- Link to [Privacy Notice](#)

## **Appendix 1 - Evaluation Criteria**

Projects will need to meet the funding principles detailed as described above in order to move to the 2<sup>nd</sup> stage for assessment against the following criteria:

<b>AC</b>	<b>Appraisal Criteria</b>	<b>Weighting</b>	<b>Score</b>
<b>1</b>	<b>Strategic Fit</b> <ul style="list-style-type: none"> <li>• Fit with the overarching funding principles</li> <li>• Does your project maximise the benefits to Wales, including economic benefits</li> <li>• Does your project deliver our priorities for the creative industries in Wales</li> </ul>	Yes or No	-
<b>2</b>	<b>Project quality</b> <ul style="list-style-type: none"> <li>• Digital Technical Criteria <ul style="list-style-type: none"> <li>○ As described in the document above in section 1.6</li> </ul> </li> <li>• TV Technical Criteria <ul style="list-style-type: none"> <li>○ As described in the document above in section 1.6</li> </ul> </li> <li>• Overall quality of application and description of proposal</li> <li>• Benefit and impact e.g. does it deliver measurable benefits for the creative sector</li> <li>• Innovation</li> <li>• Welsh Government Programme for Government, Well Being of Future Generations alignment</li> </ul>	x 20	/5
<b>3.</b>	<b>Evidence of Need</b> <ul style="list-style-type: none"> <li>• Why is Welsh Government funding required for this project to go ahead? E.g. Why do you need the funding? Will it accelerate project? Would it happen without support?</li> </ul>	x 5	/5
<b>4.</b>	<b>Risks, Project Implementation and Delivery</b> Quality of information provided for: <ul style="list-style-type: none"> <li>• Project plan, timetable and team resources</li> <li>• Management Team Structure</li> <li>• Project collaboration / partners</li> <li>• Project Risks</li> </ul>	x 5	/5
<b>5.</b>	<b>Project deliverables</b> <ul style="list-style-type: none"> <li>• Quality of project targets:</li> <li>• Outputs &amp; deliverables, used to measure the success of the project</li> <li>• Detailed information on how these will be measured</li> </ul>	x 10	/5
<b>6.</b>	<b>Project Costs and Value for Money</b> <ul style="list-style-type: none"> <li>• Overall proposal represents value for money</li> <li>• Activity and associated costs represent realistic and best value</li> <li>• Project costs, claim schedule</li> <li>• Expected benefits are proportionate with costs</li> <li>• Good evidence provided for exit strategy and long term sustainability of proposal</li> <li>• Ability to have an impact on the sector over a longer period of time</li> </ul>	x 10	/5