This is a competitive capital match-funded grant to provide financial assistance for businesses from the retail, hospitality, and leisure sectors to invest in measures to future proof their business.

**About the Fund**

The fund will provide a match-funded capital grant between £5,000 - £10,000 to be used entirely during the 2024/2025 financial year to eligible micro, small and medium businesses in the retail, hospitality, and leisure sectors, to allow them to invest in measures to future proof their business. No revenue costs will be eligible.

Future proofing the business will be achieved through realising cost savings, reducing the percentage of fixed costs impacting the business or increasing revenue.

Total project costs can be any amount, but the Welsh Government grant element cannot exceed 75% of eligible capital project costs or £10,000, whichever is the lesser amount. The business will contribute at least the remaining 25% from other sources which can include loans. Applicants cannot use any other form of grant or funding from any other public sector organisation including the Welsh Government as match funding against this fund (i.e. no duplication of public sector funding). Award payments will be made on a defrayed expenditure basis meaning applicants will need to evidence sufficient available cash flow or cash reserves to fund the total project costs at the point of delivery. Claims for the Welsh Government grant element will be paid after the delivery of the project i.e. payment is not made up-front. Applicants will also be required to participate in a compulsory Impact Survey commencing in January 2026. Failure to complete the survey may result in some or all of the grant being reclaimed by the Welsh Government from you.

All awards under the Future Proofing Fund are discretionary and there is no appeals process. Making or submitting an application to the fund will not guarantee all or some of the finance you require.

Awards under the fund are made under the Minimum Financial Assistance (MFA) Subsidy Control Regime [Subsidy Control Act (2022] and, applicants will be required to confirm by way of signed declaration, that any award made under this fund, would not exceed £315,000 of total MFA assistance cumulated by the applicant/business over this and the previous 2 financial years.

An eligibility checker will open in mid-April to allow prospective applicants to understand the fund criteria and give them time to prepare potential projects and obtain quotes.

The fund will open to applications in mid-May and remain open for a period of 3 weeks or until the budget has been allocated. This is a competitive grant, and following a scoring process, we expect to make grant offers to the highest scoring applications by the end of August 2024. All projects must be completed, and claims submitted to Welsh Government no later than 28 February 2025.

**Who can apply to the fund?**

The Welsh Government Future Proofing Fund is open to;

* Micro businesses employing between 1-9 employees,
* Small businesses employing between 10-49 employees,
* Medium sized businesses employing between 50-249 employees.

This grant can only be claimed by Sole Traders/Partnerships or Limited companies that meet the following criteria:

General Criteria:

* The business must 1) be located in Wales (either headquartered or have an operating address in Wales) and 2) must employ people in Wales.
* Operate in one or more of the retail, hospitality, or leisure sectors.
* Operate from a property with a rateable value as of the 1st April 2024 between £6,001 and £51,000.
* Rates must be paid directly by the business to the local authority (i.e. landlord only businesses are exempt from applying to this fund).
* The premises must be owned by the applicant business or leased to the applicant business (evidenced by way of minimum 3-year lease that extends to at least 1st April 2026).
* The business must have been trading before 1st April 2023 and still be trading (evidenced by financial accounts from the last financial period) and have an annual turnover in excess of £50,000 p.a.
* If the business turnover exceeds £90,000, the business must be VAT registered or be sector exempt from VAT. Details of VAT exemption can be found at:

***[https://www.gov.uk/guidance/vat-exemption-and-partial-exemption](https://eur01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.gov.uk%2Fguidance%2Fvat-exemption-and-partial-exemption&data=02%7C01%7CErica.Morgan%40gov.wales%7Ce9db94f413804678a32008d7e1f33171%7Ca2cc36c592804ae78887d06dab89216b%7C0%7C0%7C637226306924339266&sdata=Ree8bDShE0CMmfr%2BcmbEPkGF1Dz4Dhff0pFWIvG%2BxbE%3D&reserved=0)***

**Sole Traders / Partnerships – Applicant Eligibility Criteria**

* Sole traders that do not employ any other staff, can make an application to the Future Proofing Fund as long as they meet all other criteria. In support of their application, these applicants will be required to submit a copy of their most recently filed Self-Assessment Return that shows the earnings and the tax due, and evidence that the payment has been made.
* You must pay employees **via PAYE** as of 1st April 2023.

If you only employ 1 person this must be paid via PAYE.

Please note the 1 employee must be a Full Time Equivalent (FTE) and work at least 30 hours per week. This can be made up of part time staff but must equal to at least 1 FTE i.e. the total hours regularly worked by part time employees must equate to 30 hours or more per week.

We do not support the unfair use of zero hour contracts. Where these are in use, they should not be unilaterally imposed, and workers should be provided with the offer of a guaranteed hours contract.

**Limited Company – Applicant Eligibility Criteria**

* You are a Limited company as of the 1st April 2023.
* Employing between 1 and 249 employees **via PAYE** as of 1st April 2024.

If you only employ 1 person this can be the business owner, but they must be paid via PAYE.

Please note the 1 employee must be a Full Time Equivalent (FTE) and work at least 30 hours per week. This can be made up of part time staff but must equal to at least 1 FTE i.e. the total hours regularly worked by part time employees must equate to 30 hours or more per week.

We do not support the unfair use of zero hour contracts. Where these are in use, they should not be unilaterally imposed, and workers should be provided with the offer of a guaranteed hours contract.

Other General fund rules

* Social enterprises **are eligible**, however criteria outlined for Sole Trader above must be met unless you are incorporated, in which case the criteria for limited companies will apply.
* This is a capital grant, and no revenue costs will be permitted from the grant amount, although businesses can use their own funding for any associated revenue costs incurred in the delivery of the project.
* If offered an award, applicants must complete their project in full and submit their claim with the required evidence of defrayed expenditure by 28 February 2025.
* Only one application can be made per business.
* Individual owners or directors are limited to making 2 applications to the fund irrespective of the number of businesses they own. If more than 2 applications are made for additional businesses owned by the same person, we will process the first two applications submitted using the electronic time/date stamp assigned by our IT system upon submission of the application.
* The Welsh Government does not support certain activities that are likely to give rise to controversy about appropriate use of public funds. This includes businesses which are associated with the promotion of , (1) party political purposes; (2) the promotion of particular secular, religious or political views; (3) gambling; (4) pornography; (5) offering sexual services; (6) any kind of illegal activities; or (7) any kind of activity which in our opinion could bring the Welsh Government into disrepute.
* Supported businesses must intend to continue to trade and maintain jobs that are in place at the point of application, beyond 1 April 2026.
* Applications have to be submitted by the business owner and **not agents** acting on their behalf. **Applications submitted by an agent on behalf of businesses will be rejected.**
* If your project requires any form of permission from any other organisation (e.g. planning permission), the applicant is responsible for obtaining these permissions and the Welsh Government cannot intervene or enter into any correspondence with a third party to expediate decisions. Additionally in these circumstances, the risk of obtaining the required permission and completing the project within the specified timescales for the fund remain with the applicant and the Welsh Government will not pay whatsoever, late claims received due to delays with the project.
* Franchise businesses will not be supported via this fund.
* Any project that increases the carbon footprint of the applicant business will not be supported via this fund.
* Any project that results in staff redundancy will not be supported via this fund.
* We do not support the unfair use of zero hour contracts. Where these are in use, they should not be unilaterally imposed, and workers should be provided with the offer of a guaranteed hours contract.

The grant **cannot** be used for the following:

* Funding operational running costs (e.g. utilities, rent, stock purchase).
* Pay off existing debt.
* Subsidising wages or any staff costs.
* Any purchases made before an award from this grant application.
* In kind funding. In-kind funding usually refers to non-monetary contributions and support from other sources.
* Redundancy costs.

**How much funding can you apply for?**

Applicants can request between £5,000 and £10,000 and the amount requested cannot exceed 75% of the total eligible project costs. As part of your application, you will be required to submit evidence that you have the match funding in place at the point of application.

**Project Eligibility Criteria**

As part of the application, applicants must demonstrate by way of detailed, clear narrative and planned activities, how their proposed project invests in measures to future proof their business. This could be through cost savings, increased revenue and/or profit, or by reducing the percentage of fixed costs impacting the business. This information will be used to score your application and the highest scoring applications will receive an offer of funding if they meet all other criteria (see scoring section below).

Example projects that could be approved for funding include (but are not limited to):

* Investing in renewable energy technology, e.g. solar panels.
* Improving the fabric of premises and energy efficiencies within the building, e.g. installation of PIR LED lighting, installation of electric charging points, replacement of single glazing with double glazing, improved insulation (solid wall or loft insulation).
* Upgrading systems or machinery to reduce energy use.
* Water usage and waste reduction/improvements, e.g. capital equipment purchase to improve these services as part of your business operations or as part of a wider garden landscaping project.
* Productivity and growth gains through strategic investment, e.g. capital equipment purchase to introduce a new revenue stream to an existing business such as a local village store attached to a petrol station installing an oven to offer cooked from frozen pastries/baguettes.

**Example 1:**

A gift shop occupying a premises with a rateable value of £12,000 with a full-time owner and 2 part-time employees working 18 hours each paid via PAYE, planning to undertake a renovation project to increase revenue by improving the storefront to be more visually appealing for promotion of goods and for the building to be more energy efficient. Project to include replacement of rotten wood surround frontage and single aluminium window and door, with a new insulated brick structure and double glazed window and door, construction of wooden en-cased window retail display for promotion of locally made Welsh products. The company brings in a local building firm to revamp the front of the store and construct the new display area.

Expected uplift in profit of £300 per month (£3,600 per year), with project investment return of £10,200 within 34 months.

* Total eligible project cost: £10,000
* Welsh Government Grant for capital purchases £7,500
* Applicant contribution for labour & surplus capital costs £2,500

**Example 2:**

A busy café attached to an adventure attraction who operate and own the premises with a rateable value of £30,000 that has high energy running costs and employs 4 full-time and 6 part-time staff working 15 hours each per week paid via PAYE. Project is to install solar panels with battery storage to reduce energy bills and install self-serve ticketing at entrance. One job safeguarded as ticketing personnel redeployed in the adventure side of the business.

* Total project cost: £30,000
* Welsh Government Grant towards capital purchases £10,000
* Applicant contribution for installation & surplus capital costs £20,000

**Example 3:**

A popular local gastro pub with 3 x 4\* bedrooms, and a rateable value of £40,000 who employ 20 FTE staff working a variety of hours via PAYE. Project is to bring forward redevelopment of final 4th bedroom, improve landscaping around the premises and car park to allow them to harvest rainwater for re-use in toilet cisterns and install 2 electric charging points. 1 job created. Project would see higher quality offer to attract more customers/increased spend projected to be £25,000 per year from additional bedroom. Project costs expected to be recovered within 2 years.

* Total project cost: £20,000
* Welsh Government Grant for capital purchases/building £10,000
* Applicant contribution for installation & surplus capital costs £10,000

**How to apply**

Businesses can only apply for the grant using the application form which is available from mid-May online: <https://businesswales.gov.wales/future-proofing-fund> .

The Future Proofing Fund will open to applications in mid-May, but the on-line fund eligibility checker will open from week commencing 15th April 2024 to allow applicants time to understand the fund criteria and gather the required documentation to support the full application (see below). The fund will close 3 weeks after it opens or when the budget for the fund had been allocated, whichever is the sooner.

The Welsh Government have absolute discretion on the duration and terms of the fund.

All applications submitted will be processed in ‘date received’ order, but applicants should note that applications with incomplete or incorrect data or those missing the required supporting documentation **may be rejected**.

Rejected applications where missing or incorrect information are identified as the issue, can be re-submitted as long as the application window remains open. Re-submissions will not be accepted after the application window closes.

**Supporting documentation**

Applicants will be required to submit the following information by email and **within 1 working day of their application submission**, to FutureProofingFund@gov.wales quoting their unique application reference number which will be confirmed on screen once the application has been submitted successfully **(please make sure you keep a note of this number)**:

* At least 2 quotes for each piece of capital purchase or other costs associated with the delivery of your project. These can be electronic but where possible need to be presented on formal letterheaded paperwork and include the company registration number of the supplier so that the identity of the supplier can be verified.
* Evidence of your match funding proportion by way of bank statement and/or loan agreement paperwork.
* Copy of your non-domestic rates invoice from your local authority and which has to be in the name of the applicant business.
* Bank statements for the previous 3 months to verify that the business is actively trading and as evidence of sufficient cashflow.

**The Application**

**Section 1** – **Information About You**

This section asks for information about you ‘the applicant’ such as your name, contact information and demographic information.

**Section 2 – Information About Your Business**

This section seeks information about your business such as your address and legal structure. We also ask for other business information such as your VAT number, Company Registration Number, annual turnover, and number of employed staff.

Please ensure all information is correct. **Any application containing incorrect data will not be processed and your application will be rejected.**

**Section 3 - Project Details**

In this section you are required to explain your proposed project, what impact the project will have on the business and how it will help support the sustainability of your business. We also ask you to describe the project timeline, resources required and any associated risks and what you can do to mitigate these.

This is a competitive grant and therefore this section is a very important part of the application as we will use the information you provide here to score the viability and impact of your project.

**Section 4 – Economic Contract Pledges & Fair Work**

The Economic Contract is a commitment to provide public investment that prioritises the social and environmental needs of Wales whilst building a more resilient and prosperous wellbeing economy.  At the heart of our Something for Something approach, an agreement between the Welsh Government and a business on the actions we will both take which contribute to tackling the challenges we face and to improve the lives of people across Wales.

There are 4 pledges that form the Economic Contract, and in this section, you are required to explain how your business aligns to 2 or more of these pledges. To help you understand Economic Contract pledges please see [The Economic Contract | Business Wales (gov.wales)](https://businesswales.gov.wales/economic-contract)

In addition to the section on Economic Pledges, this section seeks clarity and commitment on your fair work practices. Fair work is the presence of observable conditions at work which means workers are fairly rewarded, heard and represented, secure and able to progress in a healthy, inclusive working environment where rights are respected.

The actions deployed by an organisation in their pursuit of fair work will depend on the specific circumstances of that organisation. Some actions may not be appropriate or feasible for all organisations, it is for each organisation to determine which actions are.

Please see [A guide to fair work | GOV.WALES](https://eur01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.gov.wales%2Fguide-fair-work&data=05%7C02%7Cmatthew.collins%40gov.wales%7C396525eeb7824a078e6608dc42acf42b%7Ca2cc36c592804ae78887d06dab89216b%7C0%7C0%7C638458557785489239%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C0%7C%7C%7C&sdata=f5jva330ytrr1mbzL3EbXKynQ42blD5IbLYkk0aYwIU%3D&reserved=0) for further information to help you complete this section of the application.

This is a competitive grant and therefore this section is a very important part of the application as we will use the information you provide here to score the viability and impact of your project.

**Section 5 – Employment Information**

In this section you are required to provide detail of any jobs being safeguarded or created as a result of this grant funding.

**Section 6 – Project Costs/Project Funding & Amount of Funding Requested**

In this section you will need to provide us with details about the project costs, the source of your match funding and the amount of funding required by you to enable the project to go ahead in order for us to determine viability of the project. Please note that you are only able to request the minimum amount of funding required to enable the project and you will be required to sign a declaration stating this, prior to submitting your application.

**Please note:** There is a 20 minute time limit to complete each section page.

In advance of accessing the application and completing, please consider what information you will need to provide (as outlined above), to ensure you complete this section within the 20 minute timeframe.

Please ensure you **complete free text sections by typing directly into the fields.** Do not copy and paste text from Word documents as not all characters are recognised. Applicants can copy & paste from other text editors such as NotePad.

**Section 5 - Declaration**

It is very important that you have read this guidance document and understand the terms and conditions associated with this Grant application as this forms part of the contract between you and the Welsh Government.

If you agree to the terms and conditions within this document and you can confirm that the information provided in the application is true and accurate, then you must tick the box and submit your application.

Once completed, please submit your application form, and follow the instructions online including making a note of the unique application reference number. Additionally, you are required to submit your supporting documentation to us via FutureProofingFund@gov.wales quoting the unique application reference number in the email subject line, within 1 working day.

**Scoring your Application**

As this is a competitive grant, each application will be scored against the following criteria and award offers will only be made to the highest scoring applicants.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Area being scored | Score (1-\*5) | Weighting |
| 1 | Project viability & delivery planThe project narrative clearly describes the project and includes a realistic and documented plan including milestones and identifies risks & mitigations to ensure the project is successfully delivered by 28 February 2024. |  | 6 |
| 2 | The impact of the project on the businessThe business can clearly evidence the benefits to the business of undertaking the project, and demonstrates the impact the project will have on the business viability in the short or medium term (next 12 to 36 months) aligned to one or more of the following:reduction of fixed costsreduction in other operating costsincrease in revenue and/or profitsafeguarding jobscreating new jobs |  | 8 |
| 3 | Fair WorkThe business can clearly evidence through their operational practices and/or policies an understanding of the fair work principles, and demonstrates a commitment to improving or strengthening fair work practices through the award of the grant. |  | 2 |
| 4 | Economic Contract PledgesThe business can clearly evidence in their application how the business aligns to at least 2 of the Economic Contract Pledges and makes commitments to strengthen these further.Economic Strength & AdaptabilityFair workPromotion of well-beingLow Carbon & Climate Resilient |  | 4 |

Scoring matrix

|  |  |  |
| --- | --- | --- |
| **Score** | **Indicator** | **Fundable** |
|  |
| 5 | Exceptional – The response was robust, detailed, well-articulated in all material respects providing strong evidence that the criteria would be met, with no weaknesses or areas of concern with the content. | Yes |  |
| 3 | High quality – The response presented evidence that the criteria would be met, good in many respects but with minor weaknesses or concerns with the content. | Yes |  |
| 1\* | Poor – The response provided limited evidence that the criteria would be met, there were major weaknesses or concerns with the content. The response lacked significant detail/or clarity. | No |  |
| 0\* | Unacceptable – The response did not provide evidence that the criteria would be met; and was wholly unsatisfactory in terms of content. Major weaknesses, issues or omissions were identified. The response was poorly articulated and/or inconsistent. | No |  |

\*If you receive a score of 1 or 0 for any question your application will be rejected.

**What happens after you submit your application?**

Upon submission, you will receive a unique application reference number which will appear on the screen. **Please make a note of the application reference number for future correspondence. If this unique reference number fails to appear on screen, your application has not been successfully submitted.**

There are 8 stages from the submission of your application to the closure of the project and each stage holds equal importance in our duty of protecting investments made in businesses using public funds.

Stage 1 – Verification Checks

Firstly, we will conduct a number of anti-fraud and verification checks to ensure that the application has been made from a genuine trading business.

Stage 2 – Project Evaluation/Assessment

Once the application passes the verification stage, an assessor will review the information provided by you in your application form and your supporting documentation and evaluate whether your proposed project meets the scheme criteria and complies with the guidance. This will include scoring your application as set out above. We will also check that the amount of funding requested by you is the minimum amount required for you to deliver the project successfully.

The assessor will then make a recommendation to either make an award offer or reject the application.

Stage 3 – Independent Approval

The decision will then be reviewed by an independent approver to ratify the recommendation.

As this is a competitive grant, we will only make grant award offers to the highest scoring applications.

**If your application is unsuccessful**, you will receive an email outlining the reason[s] for rejection. Applicants are reminded that **there is no appeal process.**

Stage 4 – MFA Declaration Check

At this stage if your application has passed the evaluation/assessment stage, you will receive by email, a Minimum Financial Assistance (MFA) Declaration Form which is a requirement of the Subsidy Control Act (2022). We cannot issue a formal offer of an award until you complete and return this form to us. Once we receive this form, we will check whether the proposed funding would exceed the MFA allowance of £315,000 within this and the previous 2 financial years.

Stage 5 – Formal Offer of funding

Once the MFA Declaration has been checked, we will issue by email a formal offer of funding for your project. This is the legal agreement between you/your business and the Welsh Government, that in return of grant funding you will complete the project as set out by you in your application.

Your offer email will also include a Claim Form and a banking form (called PL8). You will be required to return a signed copy of the offer letter and the PL8 to us by return and you will need to return the Claim Form when you reach stage 7 (see below).

Stage 6 – Project delivery

You will then deliver your project as described in your application, and pay all costs incurred. Applicants are reminded that all project delivery needs to conclude and submit the claim form by 28 February 2025.

Stage 7 – Submit Claim Form

Applicants will have until 28 February 2025 to submit their Claim Form along with evidence that the costs of the project have been defrayed. Defrayed costs are “those which are discharged by payment or otherwise settled by you”.

Once the form has been received and checked, we will authorise payment of the Welsh Government grant element of the funding to your nominated bank account. Claims will be paid in ‘date received’ order, and will be approved as quickly as possible, but applicants are reminded that this may take an extended period of time if the majority of businesses submit their claim close to the deadline submission date.

Stage 8 – Impact Survey

In January 2026, we will contact you to take part in a short impact survey so that we can check that your business is still trading, and that the investment of public funds has been used appropriately by you and that it has had a positive impact on your business. This is an important part of a grant award, and all successful applicants who receive funding, will be required to complete this compulsory stage of the process before your project can be signed off as completed.

**Applicants are reminded that failure to partake in this part of the process may lead to the grant fund being reclaimed.**

Further, 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, or it is found that the information submitted is incorrect.

**BUSINESS WALES**

Business Wales provides tailored support to start–up, micro and small and medium sized businesses in Wales. The service can help you understand what your needs are and provide tailored support packages including access to online tools, workshops, specialist advisers and mentors. In addition to working with you on a business diagnostic and action plan, our advisers can also provide targeted financial advice and access other support that you might benefit from.

To find out more, please visit [www.businesswales.gov.wales](http://www.businesswales.gov.wales).