



Cymru Greadigol Creative Wales

EXTERNAL GUIDANCE NOTES

Music Capital Fund 2 (MCF 2)

Grant application guidance notes

These guidance notes are intended to help you to complete the funding application for Creative Wales's Music Capital Fund 2 (MCF 2).

MCF 2 1st Call Launch: **13 June 2023**

MCF 2 1st Call Deadline: **14 July 2023**

Creative Wales – Strategic Context

The Creative Industries are an important part of the Welsh economy, 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 music industry has been identified as a key priority subsector, and there is a programme of support for the music industry being delivered, or developed, of which the MCF 2 is an important element.

Purpose of the Fund

Music businesses are a key platform from which music talent can be developed, nurtured and grown.

The live music industry is crucial to the development of musicians and audiences across the country.

The fund aims to encourage music businesses to identify areas to their establishment and operations that need large scale investment that would not be possible without support from the fund, due to existing and current financial constraints.

The purpose of the MCF 2 is for small and medium music businesses to apply for funding that would go towards improving and increasing their businesses commercial outlook and sustainability; and as a result, contribute to the development and growth of the music industry in Wales.

Who can apply?

Applications from music businesses will need to demonstrate that their main function is to programme, record or be used for the rehearsal of original music, host and/or promote live music events of a commercial nature. The music being hosted, recorded, rehearsed or promoted from the business can be from the full spectrum of contemporary popular music genres (electronic; hip-hop; indie and alternative; metal and punk; pop; rock; etc.).

Businesses that are predominantly hosting/promoting subsidised genres of music would **not** be eligible for this fund, as support for these genres exist elsewhere (primarily with Arts Council of Wales).

We cannot support applications from individual bands, managers, promoters or agents. In addition, only the owners responsible for running the business will be eligible to apply for this funding.

- Applicants must be operating within the Music sector in Wales and be able to evidence the request is strategically important for the long-term wellbeing of the venue and local music industry.
- 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).
- Applicants must be the owners of the building subject to the improvements or if tenants must have permission from the owners to carry out the works and have a leasehold agreement for at least five years following completion of the works.
- If appropriate applicants must have planning permission for the intended works.

What you can apply for?

The application for funding must be related to a significant capital project that goes towards improving the commercial outlook of the business itself, and directly or indirectly, support the growth of the music industry in Wales.

- A project is considered as a time bound activity with a clear start date and an end date. Therefore, the fund cannot be used for something that is continuous and/or related to the day-to-day running of the business.
- 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.
- Applications will be accepted for projects requiring a minimum of £25,000 grant and up to a maximum grant amount of £50,000. Evidence of match funding will be required for any projects exceeding £50,000.
- Estimated costs must be supported by recognised quotations and where necessary planning permissions.
- Mobile assets should not be included.

Building property and structural improvements

The types of projects under this activity header will be associated with making primarily significant structural improvements to the businesses site, especially where the external facing elements are in particular need of modernisation to aid with attracting new audiences and/or music talent.

Examples of the types of projects underneath this activity heading could include:

- Improving the accessibility of the venue, especially for physically impaired Customers.
- Soundproofing the performance areas.
- Modernising the décor, especially the public facing elements of the building.
- Significant improvements/installations – e.g. Public conveniences, air conditioning, weather proofing.
- Significant improvements, or new build of artists Green rooms.
- Works of repair to the building envelope to prevent a further deterioration in condition and loss of significance; (*Structural works, temporary stabilisation and protection, roofing works, leadwork repairs, renewal of rainwater disposal systems, masonry repairs, external joinery works, protective finishes*).
- Works of repair, both internally and externally that support proposals to bring the asset back into use: (*In addition to the works listed above, timber repairs, plastering works, internal joinery repairs*).

Complementary audience/user experience improvements

In addition to the major capital works complementary investments associated with additional improvements to the businesses premises which go towards enriching the experiences of paid audiences of live music events or users of the venue, studio or rehearsal space will be considered.

Examples of the types of projects underneath this activity heading could include:

- Complete replacement or installation of new lighting.
- Replacement of aged or damaged flooring.
- Replacement of old kit or PA systems (installations of).

What you cannot apply for

Applications cannot be made for:

- Staff salaries.
- Rent or utilities.
- Business rates.
- 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.
- Legal fees.
- Costs associated with planning.
- Where the project activity does not go towards improving the grassroots music venue in any way.
- Small moveable equipment unless demonstrated need to overall delivery of the project.
- Demolition, unless necessary.
- Any works commenced prior to award of funding.
- Purchase of lands or buildings.
- Feasibility studies.
- Non-capital expenditure.
- Costs related to promoting the cause of beliefs of political or faith organisations.
- Any kind of activity which in our opinion could bring the Welsh Government into disrepute.
- Costs funded from other sources of public funding.
- Historic debt (prior to 1 April 2023).
- A sum to cover lost income or to re-inflate your reserves.
- Projects which depend on, or encourage, free labour.

Furthermore, funding cannot be used to manage and balance accounts within different operations of the same business. For example, if a music venue operates one account for live music and entertainment, and another for catering.

Applications will only be accepted from businesses who have been trading for at least 12 months, with appropriate accounts filed for that period with Companies House.

The fund also cannot be used as match funding for another Welsh Government funding application.

In addition, applications cannot be made from businesses that have been earmarked for closure, or at a high risk of closure. Successful applicants must remain operational for a minimum of 12 months following receipt of any funding. If a business is sold or repurposed, Welsh Government reserves the right to reclaim any funding that has been provided.

All applications will need to submit relevant business accounts as well as the last three months bank statements as part of the application process. The information supplied here, and in other relevant documentation, will be used to determine whether the business is ineligible for funding as a result of their financial circumstances.

How much can you apply for?

The purpose of the funding is to support significant capital works, so applications can be made for funding from the MCF 2 for a minimum £25,000 and maximum £50,000 grant.

Applicants must be able to provide evidence of additional funds if the project exceeds £50,000.

How will the application process work?

Application Process

This Call for funding proposals will commence on Tuesday 13th June 2023, and will close to applications on Friday 14th July 2023 at 12.00 noon. No late applications will be accepted.

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.

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 criterion.

Applications for the MCF 2 will be made using the MCF 2 Application Form that will need to be submitted upon completion to Creative Wales, along with relevant supporting documentation (e.g. financial accounts and bank statements as well as recognised quotes for the cost of the project).

Applications must ensure that they will be able to deliver their project before 31 August 2024.

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.

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 applications that are in line with our key principles, as set out in the table below. Whilst we would not expect individual projects to directly deliver against all of these, projects must deliver against the specific criteria for this scheme, and projects that are directly targeted at these areas will be prioritised. Your application should therefore be tailored to show where these are being met:

Key principles of funding from Creative Wales :
Funding awarded to businesses should:
Strategic Fit 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 Wales over the medium to long term.
Maximise the benefits to Wales, including economic benefits Funding will be targeted at projects that maximise return on investment, to ensure limited budgets deliver maximum value for Wales.

Once we have received your completed application, and the call has closed, we will carry out checks and appraisals of all projects received by the call deadline. We will aim to inform all applicants of the outcome of our decisions as soon as possible after the call deadline.

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 in Annex 1, 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 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 according to the appraisal criteria in Annex 2. This also includes the assessment of the level of match funding for the project. As this is a competitive fund not all projects achieving a minimum pass score will be recommended for Ministerial approval.

Successful applications will be issued with a Grant Offer letter that outlines in more details the terms and conditions around our grant schemes, and particulars that only

apply for the MCF 2. Once received, applicants will need to ensure that they sign and return this to us as soon as possible, and after they are content with the terms and conditions as outlined in the grant offer.

We will agree with successful applications the timescales and deadlines for carrying out and completing their project, along with a schedule of payment.

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

As part of our support, there will be an expectation that all applications will provide continuous feedback related information to us on a monthly basis to support the development of our live music business database. A standardised reporting form has been developed by Creative Wales and will be provided to successful applicants at funding offer stage for use by venues in capturing the necessary data required for reporting to us up to 24 months after the lifetime of the MCF 2.

Outputs and outcomes

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

- Proof of improved facilities for performers and customers.
- No. of individuals / freelancers supported.
- Growth of the business e.g. capacity increase.
- Increase in skill levels.
- Opportunities for the improvement of diversity.
- Opportunities for the improvement of sustainability.
- Increased opportunities for staff.
- Jobs safeguarded/created.

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

MCF 2 is a discretionary fund with no set appeals process. Unsuccessful applications will be notified following our decision and provided with advice and feedback on their application.

Project Approval

- Due to budget availability only the highest scoring projects based on the criteria at annex 2 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.

Timescale

The fund will open for applications from Tuesday 13th June 2023 and will close to applications on Friday 14th July 2023 at 12.00 noon.

We will aim to confirm an outcome by the mid September 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 the end of August 2024.

No late applications will be accepted.

Claiming process and conditions of fund

Claim Schedule

You are asked to give an overall budget and planned payment schedule for the complete funding period for your project between September 2023 and August 2024.

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 some cases, funding can be paid in advance, where an applicant can demonstrate satisfactory evidence this is required.
- Arrears claims will be paid on evidence and completion of a forecast spend profile and claim form, by no later than the end of August 2024. 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.
- **‘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. 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 MCF 2. 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.

UK Subsidy Control

The Funding is compatible with the Subsidy Control Act 2022 and the applicable agreements contained in the World Trade Organisation rules, UK-EU Trade and Cooperation Agreement and any Free Trade Agreement involving the UK and the Northern Ireland Protocol.

The funding is awarded under the Subsidy Control Act 2022 pursuant to the Welsh Government registered 'Wales Cultural and Creative Support Scheme (WCCSS)' scheme ref no **SC10468**.

Full details of the Scheme can be found at:

[Wales Cultural and Creative Support Scheme \(WCCSS\) \[HTML\] | GOV.WALES](#)

Publicity

All successful applications will need to:

- Agree to be included on all publicity, press releases and marketing material we produce.
- 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.

- There will also be an expectation that successful applications will share relevant images and promotional materials with Creative Wales for our use as required.

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.

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.

Privacy Notice

- Welsh Government is the Data Controller for any information you provide. Full details of our privacy policy can be found on the [Privacy Notice page](#).

The information you supply will support in the development of a music business database. Please confirm in the section of your application form that you are happy to proceed on this basis so that you can continue to receive support and advice from Welsh Government.

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

Annex 1

Eligibility Criteria

Applications will first be assessed against the following eligibility criteria.

Applications that do not meet all of the eligibility criteria will be automatically rejected and will not proceed to the appraisal stage.

Eligibility Criteria	<ul style="list-style-type: none">• Applicants must be the owners of the property in question or if tenants, must have the permission of the owners to carry out the works.• Application must be from a Wales based music business – and where the main function is to host, promote, record or practice live music (but where the primary music genre is not subsidised arts).• Project must directly, or indirectly contribute to the promotion, hosting etc. of live music.• Project must be delivered by 31 August 2024.• Application must be made from the business.• Businesses in imminent danger of closure, are not eligible to apply.• Applicants must be a registered business or charity, who have been trading for a minimum of 12 months.
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Annex 2

Evaluation Criteria

Projects will need to meet the funding principles detailed as described above in order to move to the second stage for assessment against the following criteria:

AC	Appraisal Criteria	Score
1	Strategic Fit <ul style="list-style-type: none"> • Fit with the overarching funding principles. • Does your project maximise the benefits to Wales, including economic benefits. • Does your project deliver our priorities for the creative industries in Wales. • Welsh Government Programme for Government, Well Being of Future Generations alignment. 	/5
2	Project quality <ul style="list-style-type: none"> • Overall quality of application. • Innovation. 	/5
3.	Evidence of Need <ul style="list-style-type: none"> • 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? 	/5
4.	Risks for project and delivery Quality of information provided for: <ul style="list-style-type: none"> • Management Team. • Risk to project assets. • Project Risks. • Planning permission status (if applicable). 	/5
5.	Project deliverables <ul style="list-style-type: none"> • Quality of project targets. • Outputs & deliverables, used to measure the success of the project. • Detailed information on how these will be measured. 	/5
6.	Project Costs and Value for Money <ul style="list-style-type: none"> • Overall proposal represents value for money. • Activity and associated costs represent realistic and best value. • Project costs, quotations. • Expected benefits are proportionate with costs. • Ability to have an impact on the sector over a longer period of time. • Proof of match funds if necessary. 	/5
	Final Total	/30