

# **EXTERNAL GUIDANCE NOTES**

# Creative Wales Development Fund – Games 2025/26

#### Timeline table

24 April 2025	Grant scheme application opens
5 June 2025	Application deadline 12:00 (midday)

These guidance notes are intended to help you to complete the funding application for Creative Wales Development Fund – Games (CWDF 3).

#### 1. Creative Wales – Strategic Context

Creative Wales is the Welsh Government's internal agency for promoting and growing the nation's creative industries. Since its inception in 2020, Creative Wales has supported a range of international successes across various creative sectors, including TV and film, music, games, animation, and publishing.

The Creative Industries have been one of the fastest-growing sectors of the Welsh economy for over a decade. They create jobs and wealth, contribute to a strong national brand, and promote Wales globally. Creative Wales has been established specifically to further support the growth of the creative industries in Wales and to offer a streamlined, dynamic, and innovative service to the sector.

#### Creative Wales' Ambition is to position Wales as the best place for creativity to thrive by driving growth across the creative industries, building on existing success and developing new talent and skills.

#### **Creative Wales priority themes include:**

- Focus on Growth to continue to drive the growth of the creative sectors in Wales with a targeted regional and sector focus;
- **Supporting Skills** to ensure that we develop the right skills across the sector to support continued growth and close working with the industry;
- **Diversity for all** promoting a diverse sector that provides opportunities and equality of outcome for all and in collaboration with industry, to raise standards and promote diversity and equality across the sector;
- Streamlined Sector Support to continue to respond and react to changing sector needs by developing funding schemes to target support for the creative industry and ensure that we can respond to the fast pace in which this sector moves in;
- **Building on the Brand** continue to develop the brand in the marketing and promotion of the creative industries in Wales to the world and the contribution that the creative industries makes to our global reputation and success.

#### 2. The Aims of the Fund

The third round of the Creative Wales Development Fund - Games (CWDF) aims to assist applicants in creating commercially focused projects for the video game industry. Funding of between **£10,000 to £50,000** is available to Wales-based businesses developing content-



based intellectual property for commercial release. Projects will need to present new concepts for the video and immersive games market with clear proposed project and market entry strategies which help businesses to achieve self-sustaining growth by establishing long-term revenue streams.

Successful projects will need to demonstrate a sustainable business potential, a functional prototype or minimum viable product, a comprehensive business plan, cash flow forecast, and an investor-ready pitch deck upon completion which includes a trailer/gameplay video or playable demo.

This fund is intended to create a lasting impact in the sector rather than provide ongoing operational finance for businesses. Applicants who have received development funding from previous rounds will be expected to evidence learnings from previous projects, alongside demonstrating how this new application is different.

# 3. Who can apply?

Applicants must:

- Have headquarters in Wales that produce commercial digital content;
- Have been trading before 1st April 2024 and still be trading (evidenced by financial accounts from the last financial period);
- Be VAT registered if the business turnover exceeds £90,000, or be sector exempt from VAT. Details of VAT exemption can be found at: <u>https://www.gov.uk/guidance/vat-exemption-and-partial-exemption</u>

# Sole Traders / Partnerships – Applicant Eligibility Criteria

- If you are presently a solo developer, you must have sufficient professional experience and a solid network of talented UK-based contractors ready to come on board quickly;
- Sole traders that do not employ any other staff, can make an application if 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 new employees related to this application via PAYE;
- 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 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 of April 2024;
- 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 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.

# Key Games fund criteria for applicants

Applicant companies must:

- Demonstrate a proven track record in developing games or digital content;
- The individual achievements of the company director, CEO, or shareholders will also be considered acceptable;
- Demonstrate that where intellectual property (IP) is developed and retained, applicants must possess at least 49% of the rights;
- Evidence that the business is not dependent on Creative Wales funding and can demonstrate it is developing into a financially sustainable enterprise.

# **General Fund Criteria for applicants**

- This fund is not intended for general 'software as a service (SaaS)' or 'tech' ventures outside the Creative Industries, such as those in the medical or educational sectors;
- 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 must 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.
- Franchise businesses will not be supported via this fund;
- Applicants will need to demonstrate that the business is not dependent on Creative Wales funding and can demonstrate it is developing into a financially sustainable enterprise;
- 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;
- Any project that results in staff redundancy will not be supported via this fund.

# 4. What projects are we looking to support?

The application for funding must be related to the development of a video game project.

#### Video Games & Immersive project requirements

Creative Wales offers financial support to Welsh games studios for the development of new projects and concepts to be sold globally on platforms such as PlayStation, Xbox, Steam and mobile devices. We are looking to support development teams based in Wales who have the ambition to grow a sustainable commercial business supported by our investment. The proposed games project must be innovative and possess commercial potential, with a clearly identified route to market supported by research to substantiate any revenue projections.

The creation of professional pitch decks and visuals indicates potential for these projects to be commercially successful and is required for all applicants.



Projects must:

- Be designed with a focus on commercial potential and suitability for further investment
- Be created with the purpose of presenting to investors;
- Have intellectual property retained or substantial commercial return in Wales;
- Be exemplary in digital design, user experience, and implementation.

We would like to see applications that have:

- Teams with essential skills and project plans with adequate time allowed to successfully complete this project;
- Consideration of market entry strategies and potential access to additional investment opportunities, including match funding, both alongside this development and following completion;
- Capability to be marketed on an international level.

# General project considerations

- The project must have a clear start date and an end date and fixed deliverables;
- Applications must represent good value for money which will form part of the assessment. We do not expect applicants to request the maximum unless the need is clearly demonstrated in their application;
- You need to demonstrate a financial model for continuing provision beyond the lifetime of this investment, and this cannot be grant driven or reliant;
- Projects which can deliver bi-lingually (Welsh and English) are welcome, but this is not a mandatory requirement.

# 5. The Funding Offer - what can you apply for?

Applicants can request between £10,000 and £50,000 for video games and immersive content projects

Creative Wales can support up to 100% of eligible costs, but Welsh Government will prioritise applications that leverage **match funding**. In addition, non-public sector match-funding is encouraged to increase impact and support your application.

Development costs are eligible for the financial year 2025-25 up to the 31st of March 2026. Retrospective costs or extensions beyond this timeframe cannot currently be considered. The financial year for Creative Wales commences on 1st April 2025 and concludes on 31st March 2026.

Only one application per company is permitted. If you have ongoing funding for another project, please consult with Creative Wales prior to applying.

Funding is non-repayable; however, failure to meet specified targets (such as an incomplete product, significant delays, or missing claim information) will result in the recovery of funds.

All applications are reviewed on an individual basis, and the Welsh Government retains absolute discretion over grant payments.

#### Examples of expenditure are:

Eligible Costs for all Development Funding



All development activities including:

- Salaries (only evidenced via PAYE/HMRC and freelancer costs (invoiced)
- Overheads (where justified and dependant on agreed methodology of apportionment)
- Travel & subsistence costs i.e., petrol, food or accommodation (reasonable and specifically related to the project)
- Preparation of a treatment/bible
- Script and story development
- Technical and production costs
- Creation of pitch presentation and/or deck i.e., treatment/visuals (character, environment, and backgrounds)/animation test/demo reel
- Storyboarding and animatic costings
- IP rights/legal
- Initial marketing under 10% of total project value
- Translation (if applicable)
- Research (if applicable)
- Preparation of a production budget
- Preparation of a finance plan
- Production Scheduling activities
- Preparation of a marketing strategy
- Shooting of a promo/pilot/Taster Tape or Sizzle Reel
- Design of concepts Gameplay video/elevator pitch
- Game Design Document creation
- Writing
- Digital prototyping
- Creation of UI and graphic design content / assets
- Creation of 3d visual content / assets
- Development / programming
- PEGI Rating
- Room hire
- Office/administration costs

Ineligible costs:

- Start-up costs, e.g. recruitment & equipment costs etc.
- Costs incurred before the start of award of funding (signed offer letter received by us).
- Pay off existing debt (prior to 1 April 2025).
- Recoverable VAT
- Bonus, dividends
- Costs funded from other sources of public funding.
- A sum to cover lost income or to re-inflate your reserves.
- Business rates
- Legal fees
- Redundancy costs
- Any kind of activity which in our opinion could bring the Welsh Government into disrepute
- Costs related to promoting the cause of beliefs of political or faith organisations
- Projects which depend on, or encourage, free labour
- In kind funding. In-kind funding usually refers to non-monetary contributions and support from other sources
- Interest payments
- Costs incurred which are not specific to the key deliverables of your project
- Expenditure deemed excessive or unnecessary to the project



- Any capital costs such as large-scale building developments or renovations
- Any costs incurred before your signed offer letter has been returned to us
- A sum to cover lost income or to re-inflate your reserves
- Projects which depend on or encourage unpaid or below
- Funding cannot be used to manage and balance accounts within different operations of the same business
- Please note We cannot accept 'other' as description of costs / line item in applications.

#### 6. What you cannot apply for

The grant cannot be used for the following activities:

- Physical game-based projects
- Platforms, websites or software as a service (SaaS) projects
- Technology concepts
- Educational applications
- General Business Development
- 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 most of these projects to include significant staff time in creation of new work)
- Projects already at an advanced stage of development

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 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 because of their financial circumstances.

#### 7. UK subsidy control

You must ensure that the use of the funding is compatible with the applicable agreements contained in the World Trade Organisation rules, UK-EU Trade and Cooperation Agreement, any Free Trade Agreement involving the UK the Northern Ireland Protocol and any relevant domestic legislation. As part of your application, you will need to provide details of any previous funding your business has received.

Your application, if successful, will count as Minimal Financial Assistance (MFA) in line with Part 3 Chapter 2 of the Subsidy Control Act 2022 previously known as (SAFA)\* / de minimis aid, as per Article 3.2 paragraph 4 of the UK-EU Trade and Cooperation Agreement. This aid limits the amount of aid a business can receive from the state.

If you have received MFA, SAFA or de minims in the past, you should have been notified in writing when you received that aid. You will need to add this award to your overall total of MFA over the last three fiscal years which needs to remain under approximately £315,000 and for any future MFA declarations or claims and declare the amount to us at application



stage.

You are responsible for ensuring that the Purposes are delivered in line with the State Aid criteria upon which the Funding is awarded.

If you exceed the limit, you will be responsible for any action as a result, including repayment of the support you have received.

For more information please refer to Statutory Guidance on the UK Subsidy Control Regime

# 8. <u>How will the application process work?</u>

#### Timescales

24 April 2025	Grant scheme application opens
5 June 2025	Application deadline 12:00 (midday)

Our team can provide advice on eligibility and the application process but discussing your project with a team member does not imply approval. This is a competitive fund where all projects will be assessed and scored to the standard criteria. To request an application form, or for advice on applying, please contact Creative Wales.

Applications for this initial round of the Fund will open on 24 April 2025. Applications should be submitted to <u>creativewalesfundingsupport@gov.wales</u> no later than 12:00 (midday) 5 June 2025. No late applications will be considered. Any further rounds will be subject to funding.

#### Application and assessment process

#### The application form

The application form is set out in 6 sections:

#### Section 1 – Applicant details

In this section you are required to provide detail of any jobs at the point of applications and those projected to be safeguarded or created because of this grant funding. You are also asked to provide:

#### Section 2 – 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. You should provide:

- A detailed description of the game
- Evidence of market research and the commercial viability of the project (having a clear understanding of your unique selling point or other market differentiators is essential)
- The plan for distributing the game to the market
- Any initial interest from broadcasters, publishers, or distributors in the game
- Details of any match funding
- Details of an existing channel that can be used to market the product
- Confirmation that your business is not dependent on grant funding and can demonstrate it is developing into a financially sustainable enterprise



Project Management

- A workplan that details key milestones in the projects
- Evidence of the relevant skills, experience and capacity of those involved in delivering and leading this project, including plans for project management, budget, cash flow and timelines

Risk management plan

- You will have an experienced development team, either consisting of Wales-based employees or UK based contractors. Describing the specific qualifications and skills of your team members demonstrates your overall development capability.
- If you are self-employed, you will need to evidence sufficient professional experience and a solid network of talented UK-based contractors ready to come on board quickly.
- You should conduct thorough research and have a well-defined plan for the subsequent steps following the grant. This includes identifying potential funders for the remainder of the project and outlining your strategy for publishing, among other considerations.
- Describe your business's future, how the grant will enhance your sustainability and growth, and your vision beyond this project.

# Outputs

As part of the delivery of this project we will measure key outputs:

- Spend on Wales based products, services and workforce
- IP created / retained
- No. jobs created
- No. of individuals / freelancers supported
- 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 creative businesses

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

Making the game in a specific language is not a requirement of this scheme. Making games bilingually or multi-lingually is encouraged. If you are using Welsh in the development of the game, you can note how this will contribute 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.

You are also asked to demonstrate how your project will align with the Welsh Government's Economic Contract Pledges & Fair Work policy.

There are 4 pledges that form the Economic Contract, and in this section, you are required to briefly explain how your business aligns to 2 or more of these pledges. To help you understand Economic Contract pledges please see <u>The Economic Contract | Business</u> <u>Wales (gov.wales)</u>.



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 <u>A guide to fair work | GOV.WALES</u> for further information to help you complete this section of the application.

We also ask you to describe the project timeline, resources required and any associated risks and what you can do to mitigate these.

#### Section 3 – Financial Information

In this section you will need to provide us with details about the project costs, any sources of your match funding and the amount of funding required by you to enable the project to go ahead for us to determine viability of the project.

# Section 4 – Marketing, publicity and Welsh Language

In this section you will need to provide details about what publicity will be included in the project, and any use of the Welsh language.

# Section 5 – Checklist for required information

Please check that you have included all the necessary documentation as well as the application form.

#### Section 6 – Declarations

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.

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.

Once completed, please submit to submit your application form and supporting documentation to us via <u>CreativeWalesFundingSupport@gov.wales</u>.

Applicants should note that applications with incomplete or incorrect data or those missing the required supporting documentation **may be rejected**.

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.

#### Supporting Documentation

Applications for the CWDF Games Round will need to submit the following information along with a completed application form:



1	<ul> <li>CVs of key staff with evidence of a proven track record in developing digital content or traditional content with an identified new market route or service. The individual achievements of the company director, CEO, or shareholders will also be considered acceptable.</li> </ul>
2	<ul> <li>Confirmation of where intellectual property (IP) is developed and retained, applicants must possess at least 49% of the rights.</li> </ul>
3	<ul> <li>Financial accounts (most recent and management accounts if more than 12 months old)</li> </ul>
4	<ul> <li>Bank statements for the previous 3 months to verify that the business is actively trading and as evidence of sufficient cashflow</li> </ul>
5	<ul> <li>A comprehensive and realistic cash flow plan for the project, which should include a detailed breakdown of all costs (estimates are acceptable if precise figures are unavailable).</li> </ul>
6	• Evidence of market research must be provided, with careful consideration of the target audience and competitor analysis (examining similar games in the market and their performance metrics such as downloads and wish lists). We are not interested in general market information about the games industry, details should be specific to your game.
7	<ul> <li>Sales projections for 12 months following eventual launch of the game.</li> </ul>
8	<ul> <li>A concise pitch deck with visuals. This will enable appraisers and panel members to gain a clearer understanding of the game's overall look and feel.</li> </ul>

# 9. 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's 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 is a competitive scheme and therefore due to budget availability only the highest scoring projects will be supported.
- All applications and supporting information will be subject to full due diligence and financial checks. This will include a review of your financial projections, a fraud check, and checks on Directors of your company.
- Where information is not available (e.g. sole traders not registered with Companies House) you will be asked to provide relevant information separately for this purpose.
- 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.
- Applications which do not meet all the eligibility checks (including due diligence) will be rejected, and notified, at this stage.
- Applications which have met all eligibility criteria and satisfied due diligence checks will then be assessed by Creative Wales officials and scores verified at an Assessment Panel. An official from another relevant department, external to Creative Wales, will be involved in this assessment process.
- Projects achieving a minimum pass score will be presented to Cabinet Secretary for Economy Energy and Planning and Minister for Minister for Culture, Skills and Social Partnership for approval. Should the value of eligible applications exceed the budget available in any financial year the highest scoring applications will be prioritised for support.
- Following approval by the Ministers, successful applicants will be informed, and award letters issued.
- Applicants will be required to send applications, accounts, claim forms and reports digitally, by email to the following address: creativewalesfundingsupport@gov.wales.
- Application forms should include scanned signatures, or alternatively, must be sent by the person named on the form from their email address.
- Only one successful application per applicant can be accepted within the financial year (until 31 March 2026).



# Approvals

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 CWDF. 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 12 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 monthly to support the development of our 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 in capturing the necessary data required for reporting to us up to 12 months after the lifetime of the CWDF.

# Appeals

CWDF is a discretionary fund with no set appeals process. Unsuccessful applications will be notified following our decision. As a reminder, this is a competitive fund with a limited budget so all projects will be assessed and scored with only the top scoring projects able to be supported.

#### Claiming process and conditions of fund

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. <u>Welsh Government expectations of grant recipients [HTML] | GOV.WALES</u>

#### **Claim Schedule**

You are asked to give a planned payment schedule for the complete funding period for your project between 1<sup>st</sup> April 2025 and 31<sup>st</sup> March 2026. All claims will need to be submitted by the deadline of 1<sup>st</sup> March for the final claim 2026.

#### Payment and Monitoring

- If your application is successful, payment conditions need to be met as set out in the offer letter schedule
- '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
- Claim forms will be issued on request and can be submitted via E-mail to <u>CreativeWalesFundingSupport@gov.wales</u>. Project being paid in arrears will need to provide full evidence before any payments are made. Details 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 12 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 CWDF. 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.

# The Economic Contract

# 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.

# 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 three 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. <u>The seven well-being goals</u> 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 <u>Privacy Notice page</u>.

The information you supply will support in the development of a 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.



# **Appendix 1 - Evaluation Criteria**

# Stage 1 – Eligibility Criteria

Ap	oplicant eligibility criteria
•	Applicants must be operating within the Games sector in Wales.
•	The business must have been trading before 1st April 2024 and still be trading (evidenced by financial accounts from the last financial period)
•	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: <a href="https://www.gov.uk/guidance/vat-exemption-and-partial-exemption">https://www.gov.uk/guidance/vat-exemption-and-partial-exemption</a>
•	Sole traders that do not employ any other staff, can make an application if 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 2024.
•	If you only employ 1 person this must be paid via PAYE.
•	The senior management/team must have a proven track record in developing digital content or traditional content with an identified new market route or service. The individual achievements of the company director, CEO, or shareholders will also be considered acceptable. Alternatively, they must have have one or more experienced/mentor-level team members in key positions who have developed and released games within the last several years.
•	The business should demonstrate it is not dependent on Creative Wales funding and can demonstrate it is developing into a financially sustainable enterprise.
•	Where intellectual property (IP) is developed and retained, applicants must possess at

 Where intellectual property (IP) is developed and retained, applicants must possess at least 49% of the rights.

# Stage 2 – Appraisal Criteria

Projects will need to meet the funding principles detailed as described above to move to the  $2^{nd}$  stage for assessment against the following criteria:

AC	Appraisal Criteria	Weighting	Score
1	<ul> <li>Strategic Fit Applications will need to fit with the overarching funding principles and clearly evidence that the project: <ul> <li>has the potential to bring significant economic benefits to Wales (Job creation/use of supply chain)</li> <li>is sustainable beyond the initial funding period</li> <li>will directly support Wales' creative workforce in addressing known skills gaps and approved skills and talent development programmes in Wales will be given priority <ul> <li>demonstrate how the project will benefit Wales' economy, such as creating jobs and using local suppliers</li> <li>is innovative and strong has commercial potential</li> <li>addresses inclusivity and diversity</li> <li>engages with the local ecosystem, using Wales based freelancers and suppliers</li> </ul> </li> </ul></li></ul>	20	/5



	boo included consideration to how project delivery			
	<ul> <li>has included consideration to how project delivers</li> </ul>			
	across the key Welsh Government policies.			
2	Project criteria	x	20	/5
-	Applicants/ businesses will need to evidence:	~		,0
	<ul> <li>you have completed initial concept development</li> </ul>			
	and possess either a proof-of-concept			
	demonstration or other visual pre-production			
	materials, enabling you to present your project to			
	the Creative Wales appraising offers and funding			
	<ul><li>panel</li><li>you will have a clear understanding of your unique</li></ul>			
	selling point or other market differentiator.			
	Communicating this clearly will contribute to the			
	confidence in your project			
	<ul> <li>you have a team with the required skills, either</li> </ul>			
	consisting of paid staff located in Wales or UK-			
	based contractors, that is already established or			
	can be quickly assembled if your application is			
	successful. Describing the specific qualities of your team demonstrates your overall development			
	capability.			
	<ul> <li>have access to an established business support</li> </ul>			
	network.			
	<ul> <li>demonstrate that thorough research has been</li> </ul>			
	conducted and there is a clear plan for the next			
	steps beyond the grant, including potential sources			
	to fund the remainder of the project or plans to cover ongoing costs			
	<ul> <li>you are able to articulate the prospects of your</li> </ul>			
	business, detailing how the grant will positively			
	impact your sustainability and growth as a studio,			
	and outline your vision beyond this specific project.			
	<ul> <li>you have conducted thorough market research,</li> </ul>			
	demonstrating that the project offers substantial			
	commercial potential.			
	<ul> <li>you have attached a high-quality pitch deck, along</li> </ul>			
	<ul> <li>with a taster/sizzle reel or playable demo</li> <li>the project possesses unique selling points or</li> </ul>			
	marketing differentiators.			
	<ul> <li>the relevant team is already in place or ready to</li> </ul>			
	commence work.			
	<ul> <li>intellectual property will be retained in Wales, or</li> </ul>			
	there is an opportunity for a significant commercial			
	return to Wales.			
	<ul> <li>evidence that you and the team can deliver</li> </ul>			
	exemplary standards of work			
	<ul> <li>you have a realistic plan to continue funding the project until it secures investment to scale.</li> </ul>			
	<ul> <li>identified which key international markets you</li> </ul>			
	intend to target and which platforms the game will			
	be distributed on			



3.	Evidence of Need Applications will need to:	×	5	/5
	<ul> <li>demonstrate a significant need for government funding.</li> <li>evidence on how the project will have an impact on the sector over a longer period</li> <li>evidence of researched market demand for their IP, identified similar concepts, and highlighted key</li> </ul>			
	differences.			
4.	<b>Risks, Project Implementation and Delivery</b> Applications will need to:	×	5	/5
	<ul> <li>provide a cashflow forecast and a comprehensive budget breakdown that demonstrates the financial viability of the project and shows applicant has carefully planned for potential financial risks</li> <li>provide provided a detailed financial plan, including the project's budget, cash flow forecast, and financial projections, with a breakdown of funding use.</li> <li>evidence for thorough market research that supports the project's commercial potential, identifies their target audience, market entry and revenue projections</li> <li>evidence that you have selected a team that has the right skills and experience that demonstrate their capability to deliver this project successfully</li> <li>include a detailed risk management plan that outlines the potential risks and strategies in place to mitigate them</li> <li>include either independently certified accounts or audited financial statements and other required supporting documentation.</li> </ul>			
5.	Project deliverables Applications will need to:	×	10	/5
	<ul> <li>evidenced that the project aligns with the overarching funding principles and maximises the benefits to Wales</li> <li>provide key outputs and deliverables and clearly explain how these will be measured to monitor and evaluate the success of the project</li> <li>identify the opportunities for skill development to existing team members and freelancers</li> <li>demonstrate that diversity and inclusion have been considered and evidenced.</li> </ul>			
	1			

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6. F	Project Costs and Value for Money	×	10	/5
A	Applications will need to include:			
	<ul> <li>evidence of how the overall proposal represents value for money</li> <li>breakdown of activity and associated costs and how these are best value</li> <li>copies of any quotes (if applicable)</li> <li>project costs, claim schedule, planned procurement</li> <li>confirmed and unconfirmed match funding</li> <li>how expected benefits are proportionate with costs</li> <li>how project activities will continue after the project has finished</li> <li>demonstrate that the business can operate independently of grant funding and is progressing towards financial sustainability.</li> </ul>			
		т	otal ou	t of 350

# 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*	<ul> <li>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.</li> </ul>	

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