

## **EXTERNAL GUIDANCE NOTES**

### **Creative Wales 2024-25 Financial Support for Film Studios Impacted by the 2023 NDR (Non-Domestic Rates) Revaluation**

These guidance notes are intended to help you to complete the funding application for Creative Wales's Studio NDR Fund 2024-25.

Studio NDR Fund Launch: **Monday 30 September 2024**

Studio NDR Fund Deadline: **Monday 2 December 2024 at 12:00 noon**

#### **1. 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. The film and television sector has been a priority sector for Creative Wales since its inception in January 2020 and prior to that it was a priority sector for the Welsh Government.

Targeted investment in studio infrastructure has been critical to the growth of the sector and Wales' ability to compete with other parts of the UK in hosting major international productions. In recent years, some of Wales' studios have been successful due to investment to be big enough to be able to host major international productions. Capital support is available via Creative Wales' grant funding to incentivise productions to base themselves in Wales.

The latest NDR revaluation took effect on 1 April 2023, based on an antecedent valuation date (AVD: a standardised reference point for evidence used to inform valuations) of 1 April 2021. The independent Valuation Office Agency (VOA) is responsible for assessing all non-domestic properties in Wales and England to assign rateable values, which are broadly intended to reflect annual rental values. The purpose of a revaluation is to reassess the whole of the tax-base and assign revised rateable values to reflect changes in rental market conditions since the previous revaluation. Regular revaluations are, therefore, intended to ensure fairness across the tax-base in the way that ratepayers contribute to the revenue raised through NDR to support local services. As a consequence of the 2023 revaluation, some sectors will have had increased rateable values and others will have decreased or remained at a similar level.

#### **Purpose of fund**

The aim of the fund is to provide financial support to film studios who have had large increases in NDR liabilities since the April 2023 revaluation. The support will be provided as

a grant through Creative Wales which for eligible film studios provides parity with the amount of support announced for England in 2024-25. The support provided is intended to ensure that, in effect, eligible film studios do not pay more than 60% of their gross NDR liability (i.e. what their liability would be in the absence of any other NDR reliefs they are eligible for, including transitional relief, and this grant).

For eligible studios, the value of the grant will offset the difference between 60% of their gross liability and their actual NDR bill (issued directly to the studio by the relevant local authority).

## **2. Fund Process, Who can apply? Eligibility Criteria (see Annex 1)**

This Call for funding proposals will commence on Monday 30 September 2024 and will close to applications on Monday 2 December 2024 at 12:00 noon. No late applications will be considered.

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

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

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.

The eligible funding period will be 1 April 2024 to 31 March 2025.

### **a. Applicants must:**

- be based in Wales and be employing staff in Wales.
- have been trading before 1 April 2023 and still be trading (evidenced by financial accounts from the last financial period)
- not be earmarked for closure, or at a high risk of closure. (evidenced by financial accounts from the last financial period and a full financial due diligence review)

### **b. Eligible studios must be used for the production of films or television programmes and in whole or in part comprise sound stages or film sets**

### **c. Eligible studios must have received an increase of more than 50% in ratable value since 31 March 2023. This will be based on your most recent VOA confirmation.**

The actual NDR bill for a studio is that issued by the relevant local authority for the period from 1 April 2024 to 31 March 2025, based on the current rateable value of the facility.

## Examples

### **Studio A – Eligible for transitional relief:**

Studio had a rateable value of £100,000 on 31 March 2023, prior to the NDR revaluation. This has since increased to £300,000, representing an increase in rateable value of 200%. Studio A **is eligible** for transitional relief (but no other NDR reliefs).

In 2024-25, the NDR bill for Studio A is £132,220 (*once transitional relief has been applied*).

60% of Studio A's gross liability is £101,160.

Studio A is eligible for a grant of **£31,060** (the difference between the two figures above).

### **Studio B – Not eligible for transitional relief:**

Studio B had a rateable value of £100,000 on 31 March 2023, prior to the NDR revaluation. This has since increased to £300,000, representing an increase in rateable value of 200%. Studio B **is not eligible** for transitional relief (or any other NDR reliefs).

In 2024-25, the NDR bill for Studio B is £168,600.

60% of Studio B's gross liability is £101,160.

Studio B is eligible for a grant of **£67,440** (the difference between the two figures above).

Further detail on how transitional relief operates, including detail on calculating the value of transitional relief, can be found at: <https://businesswales.gov.wales/non-domestic-rates-transitional-rates-relief-2023-revaluation>

## The application form

All applications will need to include an up-to-date NDR bill for 2024-25 (reflecting any recent rateable value changes made by the VOA) from the relevant local authority and confirmation of rateable value changes made by the VOA since 31 March 2023. Applicants will also need to provide business accounts and bank statements for the previous three months as part of the application process. The information supplied here, and in other relevant documentation, will be used to determine whether the business is eligible for funding as a

result of their confirmed NDR liability as well as financial circumstances. You will also be required to provide information on your current studio forecasts and circumstances:

- studio occupation for the year in question;
- studio developments that affect the rates payable; and
- wider factors, such as the production pipeline in Wales

The application form is set out in 6 sections:

### **Application form - Section 1 – Applicant details**

In this section you are required to provide details of your organisation, premises and of any jobs at the point of applications and those projected to be safeguarded or created as a result of this grant funding. Please note this is not part of the eligibility criteria noted in paragraph 2 above and in Annex 1.

### **Application form - Section 2 – Eligibility Details**

In this section you will need to provide us with details about your annual NDR bill for 2024-25, as well details of rateable value changes for the facility since 31 March 2023.

### **Application form - Section 3 – Strategic Fit, Evidence of Need and Financial Information**

You will also need to explain what impact the grant will have on the business and how it will help support the sustainability of your business.

You must also include how the Welsh language will be included in your business and how you 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 you will align with the Welsh Government's Economic Contract Pledges & Fair Work policy.

There are four pledges that form the Economic Contract, and in this section, you are required to explain how your business aligns to two or more of these pledges. To help you understand Economic Contract pledges please see [The Economic Contract | Business Wales \(gov.wales\)](#).

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](#) for further information to help you complete this section of the application.

### **Application form - Section 4 – Outputs**

You will also need to confirm if any of the suggested outputs will be applicable as a result of the grant funding.

### **Outputs and outcomes**

The funding will focus on several key outputs and outcomes, including:

- To support studios in Wales through offsetting the additional rates payable;
- To maintain and grow Wales' current studio offer/ provision and ensure they remain viable, sustainable and competitive;
- To support Wales based and incoming productions that wish to use studios for filming at no additional cost;
- To grow our creative economy by increasing number of productions and attracting inward investment, creating new jobs and opportunities for people in Wales;
- To help establish Wales as a globally competitive nation.

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

### **Application form - Section 5 – Checklist for required information**

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

### **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.

Once completed, please submit to submit your application form and supporting documentation to us via [CreativeWalesFundingSupport@gov.wales](mailto:CreativeWalesFundingSupport@gov.wales).

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

### **Appraisal**

Once we have received your completed application, we will carry out an appraisal and aim to inform you of the outcome of our decision as soon as possible. The appraisal will be undertaken to ensure that all the basic eligibility criteria have been met in Annex 1. Applications that do not meet all of the eligibility checks for funding, will be rejected.

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.

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 fund. 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.

### **Approval**

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

### **Appeals**

This support is available from a discretionary fund with no appeals.

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

### **Timescale**

This Call for funding proposals will commence on Monday 30 September 2024 and will close to applications on Monday 2 December 2024 at 12.00 noon. No late applications will be considered.

## Claiming process and conditions of fund

Award payments will be made on a defrayed expenditure basis. Claims will be paid after the proof of payment (i.e. rates bill).

You are asked to give a planned claim schedule for the complete funding period between April 2024 and March 2025. 31 March 2025 will be the deadline for the final claim.

## Payment and Monitoring

- If your application is successful, payment conditions need to be met as set out in the offer letter schedule.
- Claim forms will be issued on request and can be submitted via E-mail to [CreativeWalesFundingSupport@gov.wales](mailto:CreativeWalesFundingSupport@gov.wales).
- Once approved, payment will be made in accordance with the terms of the grant offer letter.

## Post Completion Monitoring

Agreed outputs will continue to be recorded for up to 12 months following completion of the funding 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 fund. It is anticipated that this research will examine the implementation and impact of the activities that have been delivered. It will assess the extent to which the outputs and outcomes can be attributed directly to the scheme activities and examine whether wider anticipated or unanticipated effects have been realised.

The Welsh Government or a third party acting on behalf of Welsh Government may contact you for the purpose of research and evaluation and/or to give feedback on your experience of the scheme. This information will be analysed and presented anonymously in line with the Privacy Notice.

## Subsidy Control

Awards under the fund are made in accordance with the Subsidy Control Act 2021 pursuant to the Welsh Government registered 2024-25 Financial Support for Film Studios Impacted by the 2023 NDR (Non-Domestic Rates) Revaluation Scheme no. SC11193. Full details of the Scheme can be found at:

[GOV.UK - Public user search subsidy scheme details page \(beis.gov.uk\)](https://www.gov.uk/public/user-search-subsidy-scheme-details-page)



## **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 any publicity, press releases and marketing material we produce in connection with the fund.
- There will also be an expectation that successful applicants 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.

### **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 business 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 here: [Privacy Notice](#).

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 the eligibility criteria will be automatically rejected and will not proceed to the appraisal stage.

Eligibility Criteria	<ol style="list-style-type: none"><li>1. Applicants companies must:<ol style="list-style-type: none"><li>a. be based in Wales and be employing staff in Wales.</li><li>b. been trading before 1 April 2023 and still be trading (evidenced by financial accounts from the last financial period)</li><li>c. not been earmarked for closure, or at a high risk of closure.</li></ol></li><li>2. Eligible studios must be used for the production of films or television programmes and in whole or in part comprises sound stages or film sets, <u>and</u></li><li>3. Received a ratable value increase by more than <b>50% since 31 March 2023</b>. This will be based on your most recent VOA confirmation.</li></ol>
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