



Llywodraeth Cymru
Welsh Government

GUIDANCE, DOCUMENT

Food business accelerator scheme (window 1)

Subsidy reference no: SC.10822. The scheme supports achieving the "Vision for the Food & Drink Industry from 2021".

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Point to note

If you are using this scheme to provide awards of subsidy, you must inform the Subsidy Control Unit – email: scu@gov.wales (<mailto:scu@gov.wales>)

1. Region

Pan Wales

2. Title of subsidy scheme

Food Business Accelerator Scheme

3. UK legal basis

Retained EU Law (REUL) Council Regulations No. 1305/2013, 1303/2013 and 1306/2013, Implementing Regulation No. 808/2014 and No. 809/2014 and Delegated Regulation 640/2014 and 807/2014. The retained EU Law is implemented in Wales through the following domestic law (all as amended from time to time), including by the Agricultural Support (Miscellaneous Amendments) (Wales) (EU Exit) Regulations 2021/400 (W.129): the Rural Development Programmes (Wales) Regulations 2014/3222 (W.327)

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4. Objectives of the scheme

The Welsh Government has a long-term Vision for the food and drink industry, as described in the 'Vision for the Food & Drink Industry from 2021'. The Vision is a strong, vibrant industry with a global reputation for excellence, which has one of the most environmentally and socially responsible supply chains in the world.

All projects supported through the FBAS must contribute to achieving the Vision and make a demonstrable contribution. The contribution to the achieving the vision will be assessed during the appraisal. The specific objectives are:

- **Growth:** Every year the turnover value of Wales' food and drink sector will proportionately grow more than the rest of the UK, and to at least £8.5 billion by 2025.
- **Productivity:** The 3-year average of Gross Value Added (GVA) per hour worked in the industry will increase proportionately more than the rest of the UK.
- **Fair Work:** Every year, the proportion of food and drink sector employees receiving at least the Welsh Living Wage will increase, to achieve 80% by 2025.
- **Accreditation:** Every year, there will be an increase in the proportion of manufacturing businesses in the industry holding accreditation (e.g., environmental management, staff development, production and other relevant standards).
- **Awards:** Every year, there will be an increase in the proportion of businesses in the food and drink manufacturing sector achieving awards appropriate to their business. By 2025 at least 6 more Welsh products will join the UK GI Scheme.
- **Hygiene:** 98% of businesses will have a food hygiene rating of 5 by 2025

5. Public authority(ies) authorised to implement the scheme

Welsh Government

6. Category(ies) of eligible enterprise

VAT Registered businesses involved in primary and/or secondary processing of agricultural and non-agricultural products, such as:

- private and public limited companies
- Sole Traders and Partnerships
- farm businesses to process agricultural products
- new businesses, including established businesses starting a new diversification and start-up businesses
- non-profit companies, co-operatives, community, public and voluntary sector organisations

In addition, in order to apply you need to have registered with the Welsh Government and have been issued with a Customer Reference Number (CRN). Please refer to the Welsh Government website for the How to register guidance or call the RPW Customer Contact Centre on 0300 062 5004.

7. Sector(s) to be supported

Agriculture, forestry and fishing sector only.

8. Duration of the scheme

17 November 2022 until 31 March 2027

9. Budget for aid under the scheme

£43,000,000

10. Form of support

All subsidy awarded under the Scheme will be awarded by way of direct grant.

11. Eligibility terms and conditions

Support under this scheme covers tangible and/or intangible investments in processing activities which offer clear and quantifiable benefits to the food and drink industry in Wales and its supply chains.

The output can be any kind of food and drink product for human consumption; animal feed products; pet food products; other functional food products; nutraceutical products; and non-food products such as bio-plastics.

Food Parks that provide grow-on production and processing units with available on-site technical, commercial and academic support.

Support under this scheme can cover tangible assets such as purchasing and/or developing land, buildings, machinery and equipment and intangible assets such

as computer software, patent rights and licences and technical and consultancy fees, subject to limitations (a-d):

- a. the construction, acquisition, or improvement of immovable property, with land purchase only being eligible up to 10% of the total eligible costs of the investment project
- b. the purchase of machinery and equipment up to the market value of the asset
- c. general costs linked to expenditure referred to in points (a) and (b), such as engineer and consultation fees, Project Management, fees relating to advice on environmental and economic sustainability to an extent not exceeding 12% of the total eligible costs of the investment project
- d. acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks.

Second hand equipment is eligible where the applicant can demonstrate the following:

- it complies with current health and safety legislation
- is fit for purpose
- has at least 5 years life expectancy remaining.

Full eligibility requirements can be found in the scheme guidance here: **Food Business Accelerator scheme: guidance** (<https://www.gov.wales/food-business-accelerator-scheme-window-1-general-rules-booklet>).

12. Basis for calculating subsidies

The grant amount is made up from the total public sector contribution to the investment project which may include: monies from Welsh Government; monies from other government departments and agencies, non-departmental public

bodies and local authorities; monies from governmental controlled bodies such as the Small Business Service and the National Lottery; and monies from Para-fiscal taxes (levies).

If other public funds are obtained to support the costs of a project, they will be discounted against the Food Business Accelerator grant.

The maximum grant threshold per enterprise for any individual investment project is £1,000,000.

The minimum grant threshold per enterprise for any individual investment project is £20,000.

FBAS Full – Maximum Grant request £1,000,000

The maximum grant rates are as follows:

40% of the total investment cost

The grant provides a maximum % contribution towards capital investments (excluding VAT) against actual invoiced costs.

For instance, if offered a grant towards the purchase of sausage making equipment with a value of £60,000 at 40%. The maximum grant offer will be £24,000.

Should the investment on completion, cost more than £60,000, the grant will be capped at the original cost submitted in the application i.e., 40% or £24,000.

Should the cost on completion of the investment be less than the original cost submitted in the application such as £58,000, the grant claim will be reduced to £23,200 (40% of actual spend).

Your application may exceed the maximum grant. If your Eol is selected, the related claim will be capped to the maximum £1,000,000.

The initial Eol and selection process will confirm basic eligibility criteria have been satisfactorily met.

13. Maximum subsidy allowable under the scheme

£1,000,000

14. Contact information

Subsidy Control Unit

Welsh Government
Cathays Park
Cardiff CF10 3NQ
United Kingdom

Telephone: + 44 (0)3000 604 400

Email: subsidycontrolunit@gov.wales

(<mailto:subsidycontrolunit@gov.wales>)

Rydym yn croesawu galwadau a gohebiaeth yn Gymraeg / We welcome calls and correspondence in Welsh.

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Cymorthdaliadau
Subsidy
Control Unit

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