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Review of the Food Business Investment Scheme

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Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

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Table of contents

Glossary.....	2
1. Introduction	3
2. Methodology.....	6
3. Findings.....	12
4. Conclusions.....	41
Reference section	43
Annex A – Table of Applicants	44
Annex B – Additional/Background Information.....	45
Annex C – Survey Questions	47
Annex D – Interview Guide (Food Businesses)	53
Annex E – Interview Guide (Business Support Officials)	57
Annex F – Case Studies	59

List of tables

Table 1: Breakdown of Food Business sample by region.	9
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List of figures

Chart 1.1: Motivations for applying for support from the Food Business Investment Scheme	14
Chart 1.2: Alternative sources of funding.	14
Chart 1.3: Satisfaction with support from Welsh Government officials.....	16
Chart 1.4: Project needs achieved	18
Chart 1.5: Customer base	25
Chart 1.6: Thinking about the timeline of the application process, how far do you agree or disagree with the following statements?	27
Chart 1.7: Timeliness	35

Glossary

Acronym	Definition
RDP	Rural Development Programme
GSR	Government Social Research
KAS	Knowledge and Analytical Services
SME	Small to Medium-sized Enterprise
EOI	Expression of Interest

1. Introduction

- 1.1 In September 2018, the Welsh Government's Food Division commissioned a Government Social Research (GSR) report outlining the findings of a review of the Food Business Investment Scheme. The review was undertaken by Welsh Government social researchers within Knowledge and Analytical Services (KAS). Food and drink is a priority economic sector in Wales. The findings from this review will help inform decisions on future business support and in turn, will contribute towards the development of the Welsh Government's new strategy and action plan to support Wales' food and drink industry after 2020.¹
- 1.2 The aim of this review was to gain insights into the effectiveness of the Food Business Investment Scheme. More specifically, the objectives of the review were to obtain views from a range of stakeholders whose businesses have been or are in receipt of support from the Food Business Investment Scheme, as well as those who support the provision of the Food Business Investment Scheme in order to:
- measure satisfaction with the Food Business Investment Scheme and assess the effectiveness of the scheme on businesses;
 - obtain a rounded understanding of areas which are working well and any key areas of improvement; and
 - help prioritise and develop future funding schemes.
- 1.3 This report is based on the findings from an online survey, sent to a sample of businesses that have been or are currently in receipt of support from the Food Business Investment Scheme, and qualitative interviews with a sample of those same businesses, as well as interviews with business support officials from Welsh Government (Food Business Managers) and Cywain.²

¹ [Future Strategy & Planning for Food and Drink in Wales](#). [Accessed: 05/04/2019].

² [Cywain](#) is a Menter a Busnes project aimed to help develop new products or markets for primary agricultural produce or fisheries. [Accessed: 17/04/2019].

1.4 The remainder of this report is structured as follows:

- The rest of this chapter outlines the review's policy context;
- Chapter 2 outlines the methodology, the scope of the review and the limitations, explaining how this study was undertaken;
- Chapter 3 outlines the findings from the online survey and the qualitative interviews;
- Chapter 4 summarises the conclusions of the research.

Context

1.5 The Food Business Investment Scheme is funded through the Welsh Government Rural Communities - Rural Development Programme (RDP), a programme funded by the Welsh Government and the European Union's European Agricultural Fund for Rural Development. Work supported through the RDP aims to make Wales' agriculture and forestry sectors more competitive; safeguard and enhance the natural environment; improve the quality of life in rural areas; and to foster competitive and sustainable rural businesses, and thriving rural communities.

1.6 At the end of July 2015, the then Minister for Farming and Food launched the Food Business Investment Scheme under the new RDP. The scheme was devised to provide support to Welsh businesses and focuses on jobs in the food sector. The overarching aim of grant aid allocated through the scheme is to enable Wales' food, farming and forestry industries to improve productivity, diversity and efficiency, and promote strong, sustainable rural economic growth and community-led development.³

1.7 More specifically, the scheme is designed to help primary producers of agricultural products in Wales to add value to their outputs by providing support to those businesses that do first and/or second stage processing activities. It is also designed to improve the performance and competitiveness of their businesses; to respond to consumer demand; to encourage diversification and to identify, exploit and service new emerging and existing markets.

³[Welsh Government Rural Communities - Rural Development Programme 2014-2020](#). [Accessed: 07/04/2019].

- 1.8 Projects supported through the scheme must address one or more of the following thematic objectives listed in the application guidance:
- promoting and developing a growing and vibrant food and drink sector in Wales
 - continuing to develop a green image based on sustainable production methods
 - further building resilience into the industry to withstand market changes
 - driving improvements in food safety and security
 - promoting technological innovation in both product and processes
 - providing career opportunities at varying skill levels.⁴
- 1.9 Across Wales, the Food Division granted 65 businesses with support from the Food Business Investment Scheme since 2015. It is anticipated (pending budget approval) that further windows for applications will open during spring 2019 and 2020. Further information, including the number of full applications submitted and the number of approved applications up to 4th February 2019, can be found in Annex A.
- 1.10 The Welsh Government have recently published its proposals for reform of the Common Agricultural Policy after the United Kingdom has left the European Union; Brexit and our land: Securing the future of Welsh Farming.⁵ This includes proposals relating to the promotion of Economic Resilience of farmers and land managers⁶ and currently proposes support for diversification in relation to food production.
- 1.11 The Welsh Government Food Division wished to undertake a review of the Food Business Investment Scheme as part of the Rural Development Programme funding to better inform any decisions in the development of future funding arrangements.
- 1.12 This report is limited to the Food Business Investment Scheme of the Food Division within the RDP. Further information about the scheme can be found in Annex B.

⁴ Welsh Government Rural Communities – Rural Development Programme 2014-2020: [Food Business Investment Scheme Guidance Notes](#). [Accessed: 08/04/2019].

⁵ [Brexit and our land: Securing the future of Welsh Farming](#). [Accessed: 01/04/2019].

⁶ [Review into the Resilience of Welsh Farming](#). [Accessed: 02/04/2019].

2. Methodology

Aims and Objectives

- 2.1 The overarching aim of this research was to review the effectiveness of the Food Division's Food Business Investment Scheme. The research sought to understand the areas which are working well within the scheme, as well as those which are not working so well and where improvement in Welsh Government support could be made.
- 2.2 The main objectives of this research were to:
- explore respondents motivations around why they applied for support from the Food Business Investment Scheme;
 - explore respondents satisfaction with the Food Business Investment Scheme;
 - gain an understanding of areas which are working well under the Food Business Investment Scheme and identify areas of improvement; and
 - gain insight into the effectiveness of the Food Business Investment Scheme to help prioritise and develop future funding schemes.

Scope of the review

- 2.3 The review was limited to the Food Business Investment Scheme of the Food Division within the RDP. This review focused on those businesses that have been or are currently in receipt of the support from the scheme. It focuses in detail on the impact the support has had on their businesses. The report also provides insight into businesses views on improvements for any future schemes.

Methods

- 2.4 For this research, the following methods were used:
- An online survey, which was sent to all organisations who have received Food Business Investment Scheme-support. The survey was live from 8th November 2018 to 24th January 2019.
 - Telephone interviews with a sample of stakeholders who have received Food Business Investment Scheme funding. These were undertaken in February/March 2019.

- Telephone interviews with business support officials from Welsh Government (Food Business Managers) and Cywain. These were undertaken in March 2019.

2.5 The small-scale survey aimed to collect the perspectives and experiences of businesses in receipt of support about the application process and their project investment. Individual interviews followed on from the survey, enabling researchers to probe businesses views and experiences in more detail. The interviews explored questions around the impacts of the support and ideas for future improvement. The methods applied in this research are discussed in more detail below.

Small-scale Survey

- 2.6 The survey was sent to 79 contact e-mail addresses, however multiple emails were given as contact details for the same business, therefore a total of 53 businesses comprised the final survey sample.
- 2.7 All 53 businesses were either in receipt of support from the scheme at the time or had been in receipt of support in the last financial year.⁷ From the survey sample, 12 responses were received in total, giving a low response rate of 22 per cent.
- 2.8 The survey was administered using the survey software “Questback” and it was live to respondents for an initial 5 week period (8th November to 13th December 2018).
- 2.9 An invitation to participate in the survey was sent to the sampled businesses, including a clear link to the online survey, by email on 8th November 2018. A reminder email was subsequently sent on 23rd November (half way through) and 3rd December (10 days before closing). In addition, policy colleagues and food business managers also sent email reminders and follow-up phone calls encouraging recipients to respond. After discussion with the policy team, in case seasonality was the reason for the low response rate; the survey close date was further extended to the 24th January. This did not increase the response rate.
- 2.10 The survey covered a number of different topics including; business characteristics, reasons for seeking support, the application process, project Investment and the impacts of the scheme. A full list of the questions asked in the survey can be found in a copy of the questionnaire in Annex C.

⁷ Annex A provides further detail of the applications for support from the scheme up to 4th February 2019.

Interviews

2.11 A semi-structured interview guide was developed so that responses could be explored in more detail so as to obtain a more in-depth understanding of business' views and experiences of the scheme. The interview guide drew from the thematic objectives listed in the application guidance (see paragraph 1.10). The analysis of the survey results also informed the development of the interview guide which aimed to explore topic areas which were more suited to a qualitative research approach.

2.12 Topics identified for inclusion were:

- Practical questions to gain a greater understanding of what the businesses expected to deliver versus what they actually delivered;
- The impacts of the support from the scheme on their business, both positive and negative;
- The benefits and challenges of receiving support from the scheme; and
- Their ideas around future improvements to the support from the scheme.

A full list of the questions asked at interview can be found in a copy of the interview guide in Annex D.

2.13 A purposive approach was used to identify a sample of 9 businesses to take part in qualitative interviews. The key aim underpinning the sample strategy was to obtain differing perspectives from each of the 4 regions in Wales. The sample was selected to include businesses from across business sectors and from different geographical areas.

2.14 The sample consisted of a variety of business types including Poultry, Eggs, Dairy, Baked Goods, Drinks, Horticulture, and Ready Meals.

2.15 Table 1 provides a breakdown of the sample by region.

Region	Number of businesses
North	2
North West	1
South West	2
South East	2
Mid	2

Table 1: Breakdown of Food Business sample by region.

- 2.16 The sample was selected from the list of businesses which comprised the survey sample. Those selected for interview were sent an email inviting them to participate in the research. Follow-up phone calls were made to all 9 businesses to encourage participation and arrange interview slots. 7 of the 9 businesses originally selected for interview agreed to take part in the research. A further 2 were selected in place of the 2 which did not respond to the invite to interview.
- 2.17 Two Welsh Government Social Researchers conducted 9 telephone interviews between January 2019 and February 2019. Businesses were given the option of participating in Welsh or English. Invites were sent bilingually, however none of the 9 interviews were conducted in Welsh. The duration of the interviews ranged from between 18 and 45 minutes. All interviews were audio recorded, and informed consent was sought from all participants.
- 2.18 The stakeholder group were severely time limited due to busy business periods. Due to their time constraints, interviews were kept around 20 minutes long. This required responding to the stakeholder group, prioritising questions and tailoring the questions to focus on individual experiences.
- 2.19 In-depth interviews were also carried out with business support officials from Welsh Government (food business managers) and Cywain to explore further themes highlighted by the interviews with food businesses and to gain a more rounded perspective. These were carried out by the same two Welsh Government Social

Researchers in March 2019. All interviews were conducted by telephone. The duration of these interviews ranged between 25 and 30 minutes.

- 2.20 The initial analysis of the 9 interviews with businesses fed into the development of the interview guide for business support officials.
- 2.21 A copy of the interview guide for business support officials can be found in Annex E.

Rationale

- 2.22 The follow-up semi-structured interviews aimed at providing richer and more in-depth insight into views and perceptions of grant recipients. An interview guide was developed to ensure consistency across all interviews, whilst still allowing the flexibility to probe accordingly. The two same social researchers also carried out all the interviews. The semi-structured nature of the interviews allowed for the use of probes; however care was taken to ensure interviewees were able to communicate their perspective independently from those of the researcher.
- 2.23 It was decided that telephone interviews would be the most appropriate method to use for the interviews. These fitted best with the capacity of the researchers who had limited time resource and a tight turnaround time, and the intended respondents who had limited time to be interviewed and were located in different areas of Wales.

Analysis

- 2.24 The survey was downloaded from the online survey software, Questback, into Microsoft Excel for analysis. The themes and survey results are discussed in this report and several charts have been included in the discussion to highlight key findings. Due to the low response rate, the findings from the survey must not be overstated; this is discussed further under 'limitations' (see paragraph 2.26).
- 2.25 Interviews were transcribed in verbatim and transferred into qualitative analysis software (MAXQDA), where a coding system was developed based on a combination of the topics covered at the survey stage of the analysis and the interview guide and themes that emerged from the data. The findings are discussed in this report, and example quotes have been included to illustrate key points.

Limitations

- 2.26 The online survey received a low response rate. This meant there were a very small number of responses to most questions; therefore care should be taken not to overstate the findings of the survey. The low response inhibits the ability to make generalisations about the survey results and care should be taken in their interpretation. The sample for the online survey was self-selecting. Therefore, the views and answers of the 12 respondents may differ from the answers of those who did not respond to the survey. The sample of interviewees is also fairly small compared to the number of businesses in receipt of support from the scheme. Findings are therefore not necessarily representative of all food businesses.
- 2.27 A purposive approach was used to identify the sample of 9 stakeholders. Although this means there is representation from each region, the views and answers of the 9 interviewees may differ from the answers of those who were not interviewed.
- 2.28 The review has also not engaged businesses who applied for the scheme but then either withdrew or were rejected. The views of this particular stakeholder group have not been identified, and this group may have different views and experiences. The above limitations should be considered when reviewing the findings of the evaluation, which are presented below.

3. Findings

- 3.1 This chapter presents the findings of the online survey and the qualitative interviews with businesses and business support officials from Welsh Government (food business managers) and Cywain.
- 3.2 A total of 12 survey responses were obtained. As this is a particularly low response rate (22 per cent), for clarity and to avoid overstating any of the findings, the total number of responses to a particular question is stated in full when the findings are discussed.
- 3.3 Nine semi-structured interviews were conducted with food businesses, two were conducted with the food business managers, and two were conducted with business support officials from Cywain. The survey and interview findings were analysed separately as two distinct tasks, and the results drawn together to form the discussion presented in this chapter.
- 3.4 In this discussion of findings, people who responded to the online survey are referred to as survey 'respondents', and for the semi-structured interviews, those who were interviewed are referred to as 'interviewees'.
- 3.5 The main findings from the survey responses and interviewees are discussed below.

Perceptions of the Food Business Investment Scheme

- 3.6 Overall, there was a favourable attitude towards the scheme from food businesses in receipt of the support. Multiple interviewees reported that they were very pleased with the outcomes they had achieved as a result of the scheme.
- 3.7 Interviewees were asked what they thought had worked well with the scheme. All nine interviewees gave multiple positive responses; the key areas reported were business growth and support from Welsh Government. Such examples are:
- 'It has given us that additional funding which enabled us to accelerate our business'*
- 'It has been designed so that you can launch a business expansion off the back of it'*
- 'The support and having someone on the phone to speak to'*
- '[The scheme enabled us] to provide work in the local area'*

'[The grant] was awarded for what it says it was...it went towards positively helping our company'

'It [business expansion] wouldn't have happened without the support'

'It [the grant] has allowed us to be a bigger player in the market'

3.8 Similarly, when survey respondents were asked about the key successes of the scheme, a variety of positive comments were noted:

'Without the support I would not have been able to make a step-change to increase production and facilitate ongoing growth'

'It has helped us create jobs in a very poor area of Wales'

'We would not have set the business up in Wales without it'

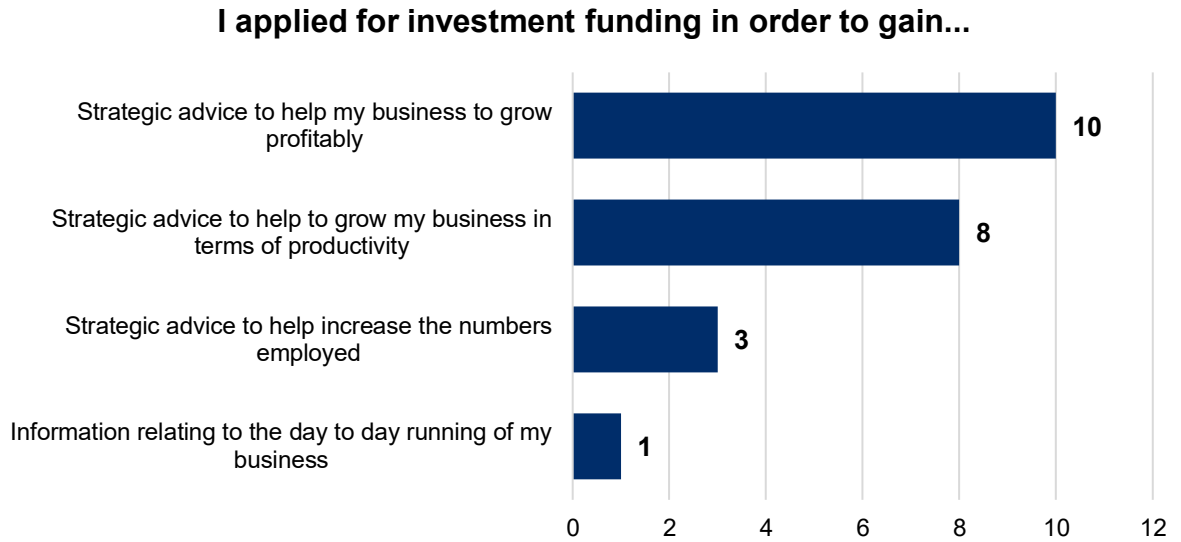
[Without the grant] 'the company would have remained stagnant'

'it's [the grant] helped us massively as we grow and expand'

3.9 Interviewees were also asked why they applied for support. Generally, interviewee's motivations for applying were linked to their need for financial support in order to grow and expand their businesses. When asked about their motivation for applying for funding, one interviewee replied, *'Money...as with many start-ups it's getting sufficient capital for really establishing your business'*.

3.10 Survey respondents were also asked about their motivations for applying for support. As demonstrated in chart 1.1, the most common reason for seeking support was for 'strategic advice to help my business to grow profitably' (10). This was closely followed by 'strategic advice to help to grow my business in terms of productivity' (8).

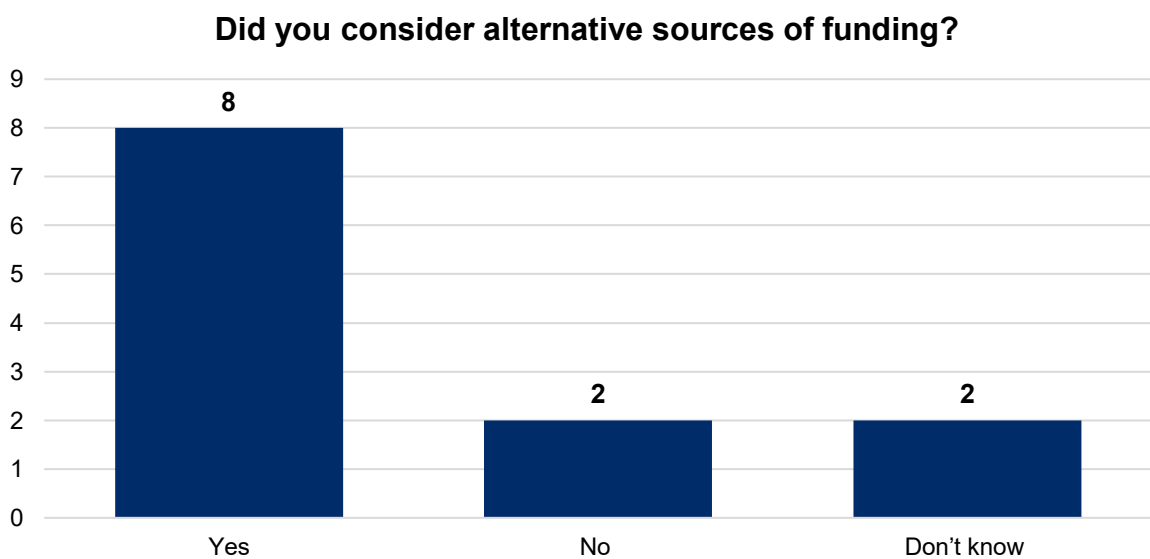
Chart 1.1: Motivations for applying for support from the Food Business Investment Scheme.



Number of respondents (n=12, multiple response question)

- 3.11 Multiple interviewees also stated that their business would not be where it is today without the support from the Food Business Investment Scheme. They reported that the scheme has been essential in the growth and expansion of their business.
- 3.12 Survey respondents and interviewees were also asked whether they had considered alternative sources of funding before applying for the Food Business Investment Scheme.

Chart 1.2: Alternative sources of funding.



Number of respondents (n=12)

- 3.13 Chart 1.2 demonstrates that 8 (out of 12) survey respondents considered alternative sources of funding.
- 3.14 Multiple interviewees responded they had also considered alternative sources. One interviewee stated that the problem with other sources of financial support were that they were either not large enough or were *'tied up with banks'*.
- 3.15 The general finding was that there was a lack of suitable alternatives. It was noted by one interviewee that as a small business it was very difficult to find support and they reported that they had *'exhausted all avenues of support'*. Interviewees believed that the Food Business Investment Scheme filled a gap as there were few suitable funding alternatives.
- 3.16 One Food Business Manager also highlighted the need for the Food Business Investment Scheme, stating that the scheme is *'incredibly popular'* with each round over-subscribed. They reported that a strength of the scheme is the high level of engagement from Welsh businesses with the scheme. They reported that Welsh businesses recognised the Government as *'pro-business'* and took full advantage of the support available.
- 3.17 One support official also reported:
'does dim pot arall o arian ar gael ac rwy'n falch eu bod wedi creu hwn'
'there's no other pot of money and I'm glad they've created it'
 They reported that the good aspect of the scheme is simply that *'[mae'n] bodoli' / 'it exists'* as there are few other funding alternatives.
- 3.18 In addition, businesses were asked why they chose the Food Business Investment Scheme over other sources of support. Interviewees responded largely that the scheme provided a good fit for their business needs. Similar responses included:
The scheme was 'tailored well to what we needed'
The scheme 'fitted the criteria that we needed our business to develop within'
'No other funding fitted what we needed to grow'.
- 3.19 One food business manager reported that the main strength of the scheme is the level of grant (40 per cent). They reported that when investing in new equipment/machinery taking 40 per cent off the project cost makes it *'a lot more*

viable'. The interviewee also emphasised that that the support is non-repayable, *'like someone said to me, it's free money'*.

3.20 A support official from Cywain also reported that the level of grant *'works really well for a micro-producer'* and that 40 per cent is *'a lot of money'* and it is worth applying for.

Support/Communication

3.21 Interviewees were asked how they would describe the support from Welsh Government officials. Overall, the comments made were positive;

'Very good. Excellent'

'Helpful, guided us, it was very good'

'The official we had certainly was very good, and he really guided us correctly'

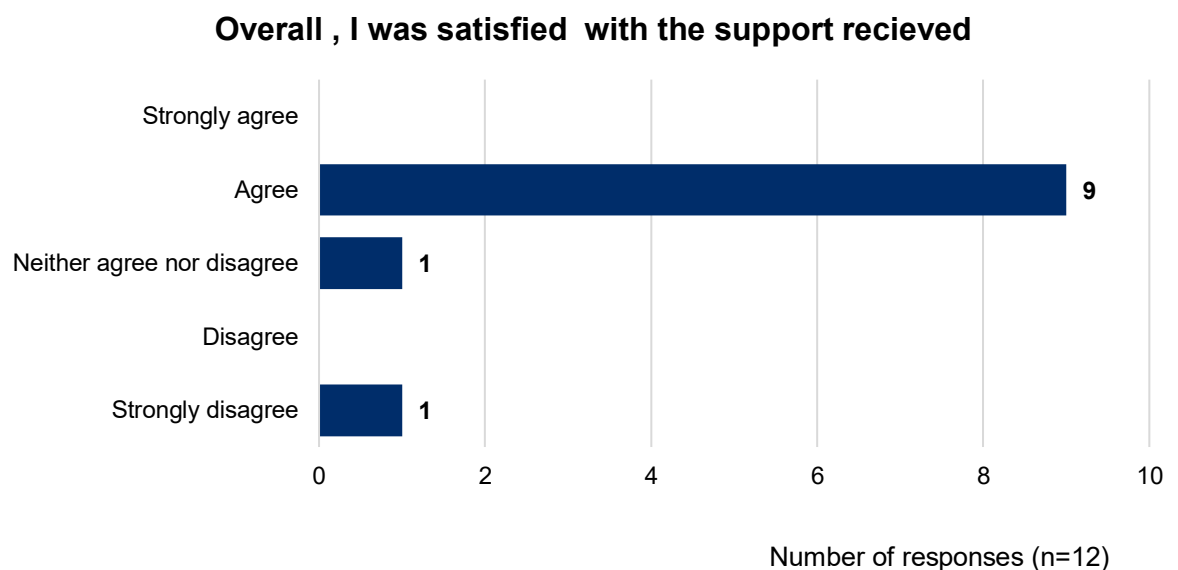
'We couldn't do what we've done without them'

'The support has been phenomenal; we really have enjoyed working with them'

'First class'

3.22 This was also reflected in the survey responses. When asked to what extent they agree or disagree that overall they were satisfied with the support they received, 9 (out of 11) respondents agreed that overall they were satisfied with the support.

Chart 1.3: Satisfaction with support from Welsh Government officials



- 3.23 Similarly, two survey respondents provided comments on the communication and support they received from Welsh Government officials during the process. In dealings with officials, a positive outlook was conveyed as they were *'helpful and supportive'* and overall the support received was *'very good from start to finish'*.
- 3.24 Support officials from Cywain also reported that the food business managers are *'brilliant'* and *'really help businesses through the process'*.
- 3.25 Most interviewees reported that having a single liaison person [food business manager] worked well. Food business managers support the businesses in their region on a day-to-day basis. Multiple interviewees stated that this *'worked brilliantly'*. When asked why it worked so well, the key things reported were the easy ability to contact support officials and the consistency of having one main contact.
- 'It meant that there was one identified person that I could say look we need to add this or we've got this issue...and I'd always go to the same person'*
- 'Having someone on the phone who you could speak to, you know [food business manager] always picks the phone up, so it's always having a manager there who will support you and speak to you'*
- 'We had a colleague we dealt with, [food business manager], he was very supportive and helpful, [food business manager] was our one point of contact from start to finish'*
- 3.26 The consistency of having one main point of contact was seen positively across all nine interviews. Having a *'dedicated officer to come and help'* was reported as really helpful.

Impacts

- 3.27 One of the research objectives (see paragraph 1.2) is around the impacts the Food Business Investment Scheme has had on food businesses in receipt of support from the scheme. In this section, the impacts of the scheme are summarised.
- 3.28 Interviewees were initially asked what they *expected* to deliver. A follow-up question then asked what they had *actually* delivered. This provided insight into the impacts of the scheme.

The main finding was that all nine interviewees reported that they had delivered what they expected to achieve with the scheme.

'100 per cent yes'

'We more than achieved what we set out to'

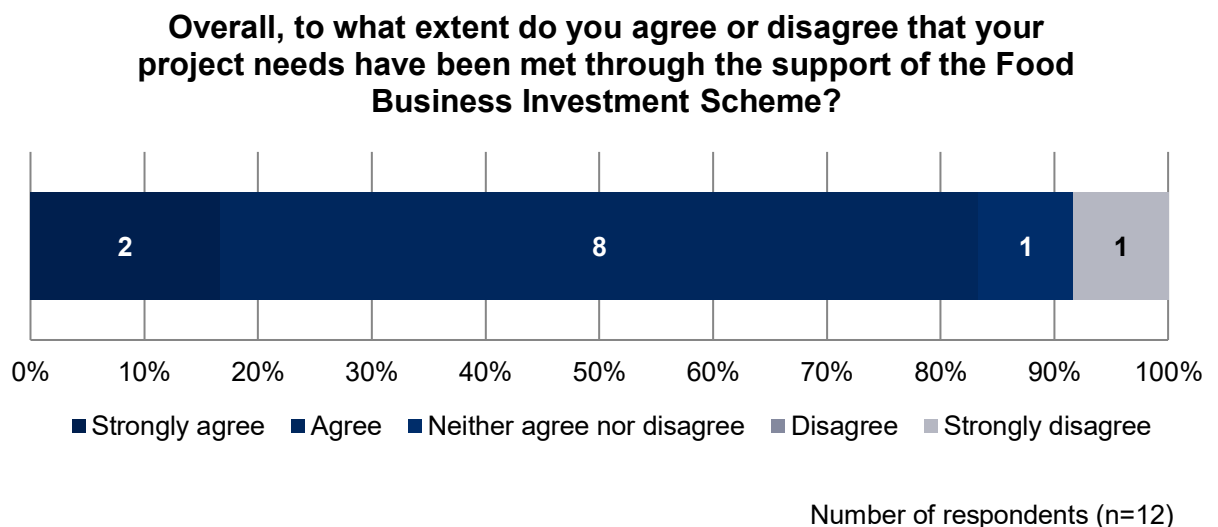
'We have driven through our expectations'

Examples of their expectations and project plans included moving to new premises, purchasing new equipment and building new facilities.

3.29 Where interviewees reported that some objectives were not quite met (such as increased turnover) these were attributed to external pressures outside of the scheme's control. Some of these pressures included increasing costs of raw materials and loss of key customers.

3.30 Survey respondents also reported that their project needs had been met. When asked to what extent they agreed that their project needs had been met, ten (out of 12) respondents agreed.

Chart 1.4: Project needs achieved



3.31 The two food business managers were also asked to what extent they thought businesses in their region have met their project objectives. One interviewee reported that *'the vast majority do [meet their project objectives]'*. They explained that the few who have *'fallen by the way'* have done so due to *'circumstances beyond our and the businesses control'*. One example was the *'egg projects'* which have been *'knocked by market conditions'* where offers of contracts *'has completely dried up'*. In these cases, some businesses had been able to defer the grant so that they receive the support at a time which will be more beneficial to the business.

Food business interviewees were then asked more specifically about impacts to their businesses as a result of the scheme. The four key areas explored were; employment, training, turnover and sustainability. Below the main findings are presented under each of these four areas.

Employment

- 3.32 The majority of interviewees reported an increase in employment as a result of the support from the scheme. Multiple interviewees also reported they had exceeded their target number for new employees.
- 3.33 Of those who reported an increase in employment most of their new employees were taken on a full-time basis. One interviewee stated that *‘they’re all full time and we’re looking to extend that further, probably by another 30 or 40 staff’*. They reported that the support from the scheme has enabled them to take on more full time employees.
- 3.34 Other interviewees also reported employment increases;
- ‘We are four people off from the target that we set, I think our target was 96 or 92 or 100 people...I think we’re four people off so nearly there’*
- ‘Since starting this project we’re now employing three people so that is a good outcome’*
- ‘Before the grant we had about eight jobs and now we’re at 26 jobs’*
- ‘We targeted seven new employees for this expansion and I think we’re over ten at the moment...and we’re looking for more people’.*
- 3.35 One interviewee reported that the scheme *‘accelerated employment’* as they felt they would have employed a similar number without the scheme, however *‘it would have taken a number of years’*.
- 3.36 Most interviewees reported varying levels of skill of new employees. Examples of new employees range from engineers to factory floor Quality Assurance roles and packers. Some specific examples reported were;
- ‘We’ve got engineers, so they’re highly skilled’*
- ‘The skilled are the people who are handling the technical part of brewing and the semi-skilled would be delivery and factory floor work’*
- ‘We have skilled craft bakers...and also packing operatives’*

'It's mixed really, a lot of them are machine operatives, some of them are packers'

3.37 Only one interviewee reported no increase in employment since starting the scheme. This was due to losing their biggest customer. Throughout the scheme they have regained pockets of business, creating a more stable income. The interviewee reported;

'We've made great progress but in terms of employment and in terms of turnover at the end of this year it will be very similar to the end of last year and the year before. If we hadn't have lost our biggest customer we would have made significant gains in both'.

Training

3.38 Some interviewees reported that they had increased their training offer as a result of the support from the scheme. Some interviewees referred to training as *'part and parcel'* of the grant scheme, whilst others reported they were now able to offer more training.

3.39 One interviewee reported that they are now able to apply for other grants to fund further training and development; *'what the scheme's allowed us to do is we're now applying for types of funding sources out there about taking on staff and doing research and development'.*

3.40 For another interviewee, training was a necessity as part of the grant funding to enable the project to *'lift-off'*. They reported that their new employees would not be able to do the job without additional training, so *'they increased their skill set and we've gained three good employees'.*

3.41 Another interviewee provided examples of specific training they have carried out including fork-lift training and management courses. They also stated they *'do a lot more in-house training'.*

3.42 Two interviewees reported that they have very stable work-forces. One stated that some employees had been with them for up to 20 years and would have been very well trained *'whether the project had taken place or not'*. The other interviewee placed emphasis on in-house training, reporting that *'we have more time to spend on our employees to help them be better at their jobs'.*

3.43 Two interviewees reported they had probably not increased their training offer. When probed they responded that the job increase had been mainly low-skilled.

Turnover

- 3.44 Nearly all (8 out of 9) interviewees reported an increase in turnover as a result of the scheme. When asked directly whether turnover had increased, several interviewees responded positively.

'Well from a zero start we probably own about £30million'

'Yes we have, we've trebled it'

'Yes within an 18 month / 2 year period'

'Yes, it's increased our turnover; we should be hitting £1.5million I think this year'

- 3.45 One interviewee reported that before the scheme they were *'turning over about £3.5million and struggling with the capacity to do that'*. Now, as a result of the scheme they have the capacity to *'do about £10 million'*.

- 3.46 There was however one interviewee who reported that they had not increased their turnover, partly due to losing their biggest customer, but also due to an increase in raw material costs. They have now been able to regain this customer base.

Sustainability

- 3.47 Nearly all interviewees (8 out of 9) reported that they had increased their environmental sustainability offer in one way or another. The main themes were energy efficiency (LED lighting, solar panels), waste efficiency (recycling projects, less plastic use) and sustaining changes in the long term.

Energy efficiency

- 3.48 Multiple interviewees reported that they now have the latest equipment such as the *'latest slaughtering plant in the UK'*, and *'a lot of machinery is state of the art'*. These new pieces of equipment were reported to be more energy efficient than older versions.
- 3.49 Similarly, one interviewee reported they fitted *'LED daylight strip-lights which can light the whole building to a very high standard for a very low amount of running costs'*. They also reported that in the future they plan to fit solar panels to the roof of their newly built premises. As a result of the support from the grant, they own their new premises which allows them to make environmentally sustainable changes much more easily than if they were leasing. This was achieved as a result of the scheme.

- 3.50 Another interviewee reported that they are *'utilising solar power'* as well as *'water harvesting'*, stating that without the support from the scheme *'it would be a long stretch to be in the same position we are now, well it would be impossible'*.
- 3.51 One interviewee reported they had fitted a set of modern internal freezers which replaced old, inefficient freezers. The new freezers use a different refrigeration gas which is *'more environmentally friendly'*.

Waste efficiency

- 3.52 A few interviewees also reported changes in their waste disposal schemes. Several examples are listed below:

'The support that it has given is really great because you can tap into the recycling and environmental policies'

'Plastic trays [for eggs] will last 15 years, so by using these plastic trays we've cut down on the shrink wrap...so we've reduced our carbon footprint on our plastic by two thirds...we've definitely made an in-road in the amount of plastic that was use that's for sure'

'As part of the project we do recycling of waste and water, we sign-up to the recycling Wales, nearly all our stuff, so the only waste we really have is packaging so like cardboard boxes and all of that's recycled'

- 3.53 One interviewee reported that initially they had other priorities such as increasing production, and therefore have not yet improved their sustainability offer. They reported they are *'ready to go'* on this now as the scheme has enabled them to buy a building which they can adapt for increased energy efficiency.

Sustainability of the scheme - long term benefits

- 3.54 After a discussion around the changes which interviewees have made, in terms of increasing their training and sustainability offer, they were asked whether they thought these changes were likely to be sustained. All interviewees (those who it was relevant to ask) responded positively:

'Yes definitely, not going to change at all'

'Absolutely yes, we're growing and we have great relationships with them [customers], we can increase and go into other areas now that we couldn't before...that's all most definitely sustainable'

'100 per cent sustained, now that the staff are trained it's very easy to keep these new schemes going'

Local Impact

- 3.55 Interviewees were also asked whether, as a result of the scheme, their businesses were now able to add value to local supply chains. Most interviewees reported that their businesses were positively impacting their local areas. The findings fell into two categories; creating local jobs and using more local suppliers.

Local jobs

- 3.56 One interviewee reported that throughout the duration of their project everyone who was involved were from the local area, *'I think every builder that we used or person on the scheme was local, so from the plasterer to the builder to the window glazer, to the floor man, painter, everyone was local'*. They also emphasised the impact this had on the local area as it was a *'massive uplift for the town'*.

- 3.57 Another interviewee reported that their packaging designing was sub-contracted to local companies and *'therefore someone locally is benefitting but they're benefitting because we're able to do it, we can do it because of the grant so it's a sort of knock-on effect'*. This demonstrates how the grant has enabled the creation of local work/contracts.

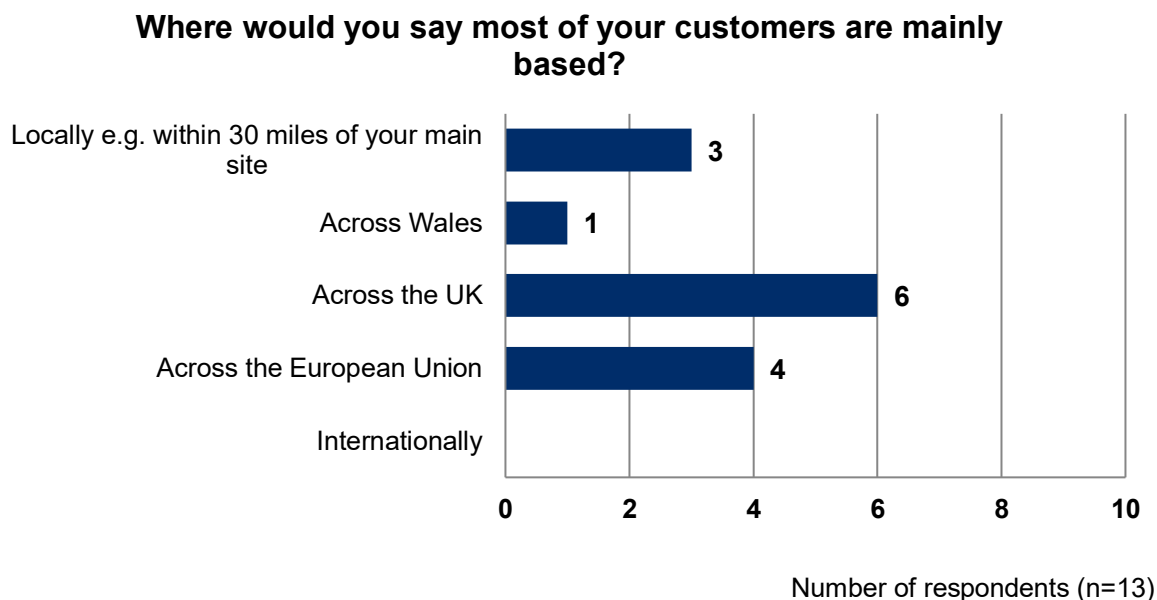
Local suppliers

- 3.58 One interviewee reported that wherever they can they use local produce, for example *'we use a butcher that is only ten metres away from us and we use yoghurt which is only five minutes up the road'*.
- 3.59 Some interviewees did not necessarily use Welsh suppliers, however they reported using *'British products'*. Reasons for not using Welsh suppliers included; no Welsh equivalent supplier and specific needs for other regional ingredients. For example, one interviewee reported that one of their products is Cornish and therefore their raw materials must be supplied by Cornish farmers. The interviewee stated, *'we tend to get as much supply as we can within the UK, we get very little from outside the UK'*.

- 3.60 One condition of the scheme was that businesses had to source 90 per cent of their raw materials from within the EU. One interviewee reported that they *'now source 99 or 98 per cent of ingredients from the EU'*. Another interviewee reported that they do *'about 93 per cent'*.
- 3.61 Other interviewees reported a more local benefit stating that their increased capacity for production has *'a direct benefit to primary producers'* in Wales. They emphasised heavily that they felt *'there is a direct relationship between our success and the contribution we make to the Welsh farming community'*.
- 3.62 Overall, interviewees reported that they use more Welsh and more local suppliers as a result of the scheme;
- 'We use huge quantities of Welsh beef and more now than we've ever used'*
- 'We are now using more products from Wales than we've ever used before'*
- 'If we can source it from Wales we will source it from Wales'*.
- Providing to local markets*
- 3.63 In addition, several interviewees reported that their businesses add to local supply chains by supplying local markets with their products. Interviewees repeatedly mentioned *'Welsh products'* coming from *'Welsh farms'* and their interest in creating a *'Welsh brand'*.
- 3.64 One interviewee reported that that their supply chain was *'about as short as it can get'* because they're situated in a local town and they *'supply to people there, local cafes, shops etc.'*
- 3.65 In contrast, other interviewees reported that they supply to markets much further afield, such as the West Midlands and Scotland. One interviewee reported that *'one of the primary aims was to be able to expand the business so that we could have outlets across the whole of the UK rather than simply locally'*. Another interviewee reported that *'our new business is in the UK, not really outside the UK'*.
- 3.66 Other interviewees reported new access to international markets, such as Germany, Holland and France. One also reported a *'keen interest because there's global opportunities now especially in the Middle East for our type of product'*. One interviewee reported one of their targets was the Chinese market, however due to *'uncertainties of that wonderful word Brexit, lots of things have been put on hold'*.

3.67 Survey respondents were also asked where their customers are mainly based. Three (out of 12) reported they were mainly based locally, with six reporting they were based across the UK, and 4 reporting they were based across the European Union. Chart 1.5 demonstrates these results.

Chart 1.5: Customer base



New Markets/Business

Diversification

3.68 A couple of interviewees reported that as a result of the scheme they have been able to diversify their products. One interviewee reported that they have created a new line of canned beers. They reported that *'we've been able to expand into canned beers which are a gross sector'*. The same interviewee also explained how they are able to enter *'a whole new market'* as a result of their project diversification as they are now targeting at *'boutique pubs and top end eateries'*.

3.69 Another interviewee also reported how they are now *'looking for something a bit different'* like new flavoured products. They reported that the scheme has enabled them to create new production lines allowing more products to be made at the same time. The scheme has enabled them to prove their capability in terms of new products and now they are *'talking to lots of other people about the next step'* in diversifying further.

- 3.70 Interviewees were also asked whether they had increased their competitiveness. Several interviewees reported that due to the new equipment and facilities supported by the scheme, they can *'now offer more competitive prices as we can produce the product a lot quicker'*. Another interviewee reported that one piece of equipment had greatly increased their efficiency, stating *'it's definitely improved our competitive edge'*.
- 3.71 Several interviewees reported how they have been able to attract new business as now they can prove their capability to customers. One interviewee reported:
'We've had some supermarkets come back and see what we're capable of...so they can now rely on us because we've gone from machinery that was 30 years old to machinery that's the most modern in the world'.
- 3.72 Another interviewee also reported they have increased their capabilities, with new, bigger contracts coming through. They reported that *'we've got a major contract now with Lidl'*.

Areas of Improvement

- 3.73 This section outlines the key areas identified for improvement by survey respondents and interviewees. The three main areas identified by research participants as areas of improvement are the application process, the claims process and communication with Welsh Government Officials.

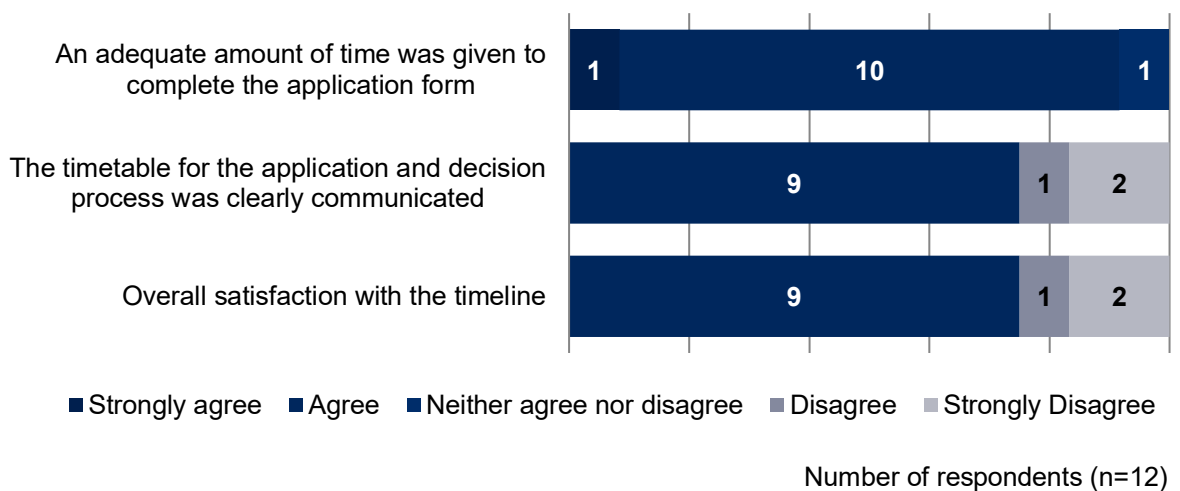
Application Process

- 3.74 Many interviewees and survey respondents reported how the application process was time consuming and difficult to carry out. In addition, interviewees reported that the time taken for the grant to be awarded was too long.
- Time Consuming*
- 3.75 A high proportion of interviewees (7 out of 9) mentioned the timescales involved in the application process and the overall process from start to finish as key areas that could be improved.
- 3.76 When asked to describe the application process most interviewees referred to it as *'long-winded'*. It was largely reported that the admin burden was time consuming.
- 3.77 Multiple interviewees refer to the length of time it took to fill in the forms, citing that the *'depth of detail required'* drew out the process. One interviewee mentioned that

there was ‘a lot more paperwork now’ compared to when they had taken part in similar Welsh Government schemes.

3.78 In contrast, chart 1.6 demonstrates that 9 (out of 12) survey respondents agreed that they were satisfied with the timeline of the application process. However, a number (3 out of 12) reported that they were not satisfied with the overall timeline of the application.

Chart 1.6: Thinking about the timeline of the application process, how far do you agree or disagree with the following statements?



3.79 One support official also reported that the main challenge is ‘*trying to persuade businesses to stick with it and invest in it*’. They reported that when applicants see the application process and the timeframes involved they find it ‘*really off-putting*’ and encouraging businesses to see the scheme as an opportunity is very difficult. Another support official similarly reported that businesses see the length of time for the whole process and ‘*[yr] holl waith papur ar gyfer yr elfennau gwahanol / all the paperwork for the different elements*’ involved and how very often ‘*yr holl waith ychwanegol yma / all this extra work*’ puts them off applying.

3.80 Similarly, one support official reported that ‘*dwi’n delio â chwmnïau bach, ac maen nhw’n gwneud popeth eu hunain / I deal with small companies, and they do everything themselves*’. They emphasised that these businesses have ‘*amser... brin iawn fel y mae hi / very little time as it is*’ so they sometimes see the application process ‘*fel baich / as a burden*’.

Complexity/Difficulty Applying

- 3.81 Every business interviewed made reference to some aspect of the process of the scheme as being either difficult or complex.
- 3.82 Most of the interviewees reported that the application process was difficult;
'It is a tough application because there's a lot of information in there'
'Absolutely painful, very difficult is one description'
'The whole application process became very nit pickety'
'It was just hard from start to finish'
'The whole application process was really, really challenging'
- 3.83 Similarly, one survey respondent reported that the application process was *'very complicated'*, stating that *'it is extremely hard to understand or follow the guidance'*.
- 3.84 In addition, one of the support officials also reported that *'the full application is quite a complex process and businesses do need a lot of support from us and from Business Wales'*. They suggested that *'case studies or examples of previous applications could make the process a bit easier'*.
- 3.85 When interviewees were asked why they found the application so difficult, the main issues reported were the amount of paperwork involved, the platform used for the application and juggling the application with work commitments.
'It was just the sheer amount of documentation needed'
'Because of the people we were dealing with and the platform it was on'
'It was really hard for a small business. I was trying to run the company at the same time as trying to go through all these hoops'
'Because of the depth of detail required'
- 3.86 A couple of interviewees reported that the online platform for the application process was difficult to use; *'the system we were working on wasn't really very good'*.
- 3.87 In contrast, some interviewees found the application process less troublesome;
'The process was, well I say straightforward, reasonably well formatted'
'Filling in the application forms were fine, a couple of difficult, tricky questions'

'The fuller application was more detailed [than the EOJ] but not problematic'

3.88 Several of the interviewees could appreciate the need for a detailed application process.

'We were looking for a significant amount of funding, so we can understand that it had to be something as detailed as it was'

'They have to be pretty scrupulous to make sure that they give support to the right projects'

3.89 However, the general consensus was that the application process was difficult and complex, with one interviewee suggesting, *'it needs to be simplified'*.

Time taken to award the Grant

3.90 Both Food Business Managers and support officials from Cywain reported the lengthy amount of time it takes for businesses to be awarded the grant. The whole process, from the day businesses submit an application to the day they are awarded the grant can take up to 18 months. Support officials reported:

'it's quite a long, protracted process'

'the whole process takes too long'

'it's just a very long, bureaucratic process'

'if someone is wanting to go very quickly, the process can take up to 9 months...and that's quite a long time'

'Yn aml iawn mae pobl am weld yr holl beth yn digwydd yn gyflymach o lawer / Very often people want the whole thing done quicker'

3.91 The Food Business Managers and support officials from Cywain further reported the difficulties this delay (18 months) causes for businesses as 'a lot can happen in 18 months'. They reported that consumer and market trends can change within 18 months and therefore the scheme struggles to keep pace with changing business needs:

'contracts may have gone away'

'market trends might be different'

'it doesn't keep pace with what is happening within business'

'it doesn't help them at all, they can't move quickly'

'Mae naw mis yn rhy hir o lawer i fusnesau [aros am y grant] oherwydd eu bod yn gweithio'n gyflymach o lawer na hynny / Nine months is far too long for businesses [to wait for the grant] because they work much quicker than that'

'Mae busnesau'n symud mor gyflym, dydyn nhw ddim yn gallu disgwyl naw mis am fuddsoddiad / Businesses are moving so quickly that they can't wait nine months for investment'

3.92 Two food business interviewees also reported that it took two years for their application to be *'sorted out'* and the grant awarded. Both interviewees were critical of the time it took for the decision to be reached to award the grant. This impacted their businesses as multiple changes took place between submitting their application and being awarded the grant. The (in)flexibility of the grant is further discussed at paragraph 3.109.

3.93 One survey respondent also commented on the delay in being awarded the grant, stating that *'It has been over two years since the application was made, I have been awarded the grant, but five months later am yet to receive a single penny'*.

Claims Process

3.94 At the start of their projects, once they have been awarded the grant, businesses plan the time slots in which they will spend money (e.g. for new equipment) and subsequently submit dates in which they wish to make claims for a proportion of that money back. Multiple businesses reported delays in receiving money back.

Timeframes

3.95 For most of the interviewees the timings around the claims process were challenging. The majority reported long delays in receiving claims back which in turn delayed projects which was *'frustrating'* and *'challenging'*. The process was reported as too long, with one interviewee suggesting it could be *'more speedy'*.

3.96 Similarly, a high proportion of survey comments (6) mentioned the timescales involved in the claims process. In general, the whole process was described as being slow and time consuming. This was due in part to the length of time it took to fill in the forms to make a claim, for example one survey respondent reported that the claims process *'appears unnecessarily long-winded'*.

- 3.97 For businesses dealing with large grants, waiting for claims to be received was reported by one interviewee as particularly difficult as it could be *'an awful lot of money to have outstanding'*. One interviewee reported that waiting for claims repayment *'puts the business under quite a lot of financial pressure at times'*.
- 3.98 The process of spending money first and then claiming it back was found to be challenging. Some interviewees found it difficult to fund the spending in the first instance, and then be reimbursed later (the delay in claiming money back made this worse). One interviewee reported that their project has *'gone on far longer than they would've liked'* as they did not have the initial funds to make purchases. *'So you might be claiming for say August but you might not actually be getting that money until December. Nightmare'*.
- 3.99 The timeline for the claims process was also reported as challenging. Some interviewees reported that the fixed nature of the months in which claims could be made created issues as elements of their projects changed. (In)flexibility with the claims process is further discussed in paragraph 3.109.

Complexity

- 3.100 The claims process was also reported by the majority of interviewees to be complicated. The most frequently mentioned aspect was the difficulty in using the online platform to make a claim. Interviewees reported that it was a very detailed system, and very difficult to fill in correctly/accurately. Multiple interviewees reported frustration with the online claims forms; *'it gets a bit messy'*.
- 3.101 When asked why the online claims submission forms were so difficult to use, interviewees reported similar factors;
- The actual platform was difficult to manoeuvre
 - The spreadsheet for inputting costs was very detailed
 - If one element was not quite correct, the whole claim was wrong
 - If alterations were made, the claim had to be made again
- 3.102 The platform for making claims was reported by one interviewee as a new software package which was difficult to use. They identified this as *'extremely frustrating'* but *'we got there in the end'*.

- 3.103 Survey respondents also reported that the online system was *'very cumbersome and difficult to understand'*, with two respondents going on to explain that as the project progressed, dates and figures for projects changed making *'each claim more cumbersome and time consuming'*.
- 3.104 Similarly, when discussing the claims process, one interviewee stated; *'I would just make a plea for simplicity'*. Due to the high level of detail required, *'if a single element on it isn't absolutely right the whole thing stops'*. Interviewees reported that this was 'painful' and expressed feelings that the whole process *'could be made a lot simpler'*.
- 3.105 The level of detail required when filling in the spreadsheet was considered impractical. One interviewee provided an example of how they experienced hold-ups in claiming money back due to *'petty cash issues of £2.50'*. The interviewee explained that occasionally petty cash may be used in emergencies such as running out of stock. It was therefore felt by multiple interviewees that there was a lack of understanding of the day-to-day running of small businesses.
- 3.106 Several interviewees suggested that the online spreadsheet should allow a degree of approximation, providing room for reasonable error. This would make the claims process more manageable for small businesses, and prevent hold-ups over *'petty cash issues'*.
- 3.107 The complexity of the claims process was further highlighted by one interviewee who reported that there was no training provided on how to submit claims. They added that once the first claim was submitted and cleared, they found they could copy the first one and simply adjust the figures.

Inflexibility

- 3.108 Interviewees reported that the rigidity of the scheme and the inflexibility of the claims process in particular, didn't match the fast-pace of their businesses as they grew.
- 3.109 The main issue reported was the fixed nature of the claims periods resulting in 1) missing claim deadlines and 2) increasing work pressures to meet claims deadlines. Other issues raised around flexibility included inputting project changes into the claims form.

3.110 Multiple interviewees reported the fixed nature of the slots in which they had to claim. There were fixed dates agreed at the start of the project in which businesses could make claims. One interviewee reported that due to unforeseen circumstances, they could not meet the deadline for several claims, so each claim was pushed back to the next claiming period. This was difficult to handle as each claim period could be up to 4 months apart. Similarly, another interviewee reported they missed a claims slot *'due to working pressures'* and this delayed their project by six months.

3.111 Another interviewee reported that in order to meet claim deadlines, working pressures were increased as *'you're pushing, pushing, pushing to get something done'* so as not to miss your claim period. The interviewee emphasised that; *'it's all very well saying we'll delay making the claim, but when you're on a tight budget you need that support coming in so that you can move onto the next payment, so it's a bit of a juggling act really'*.

The interviewee concluded by suggesting there should be more flexibility around claim periods. Similarly, another interviewee suggested having the claims process on *'a more rolling basis'* would enable businesses to make claims more regularly.

3.112 The claims process was also reported as inflexible when inputting and applying for project changes using the online system:

'Things do change during the process. Making those changes and applying for changes via the website that we were instructed to do was a little frustrating.'

It was generally felt that the online system for making claims was not flexible enough to allow for the inevitable changes which took place during projects.

3.113 Another interviewee also experienced difficulties fitting their project changes into the claim periods as *'you're quite tied to what you stated several months in advance'*. They explained that when working with multiple contractors it is easy for the project to become delayed and for elements to change, and the claims process does not allow for these changes.

Inconsistency

3.114 It was reported that the claims process lacked consistency. One interviewee was frustrated that after several months of learning how to use the online system for submitting claims, the platform was changed;

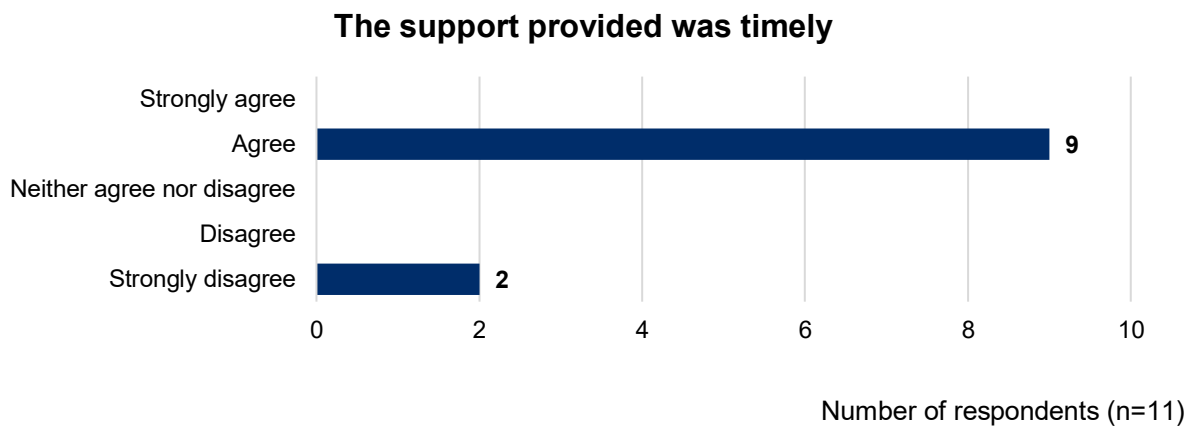
'they were changing the regulations as you went along...so we'd wait two or three weeks for them to say you haven't filled them in properly...we've changed things and you have to do it this way'.

This change impacted this particular business as it delayed their claim by four months. For this interviewee, a lack of communication was an issue (this is explored further in the section below).

Communication

- 3.115 Five (out of nine) interviewees reported that communication with Welsh Government officials was inconsistent. 'Welsh Government officials' refers to the contacts food businesses had with officials who were *not* Food Business Managers.
- 3.116 Overall, the main finding was that Welsh Government officials were helpful; however, there were issues around the lack of consistency within Welsh Government teams. Interviewees reported that having one consistent Welsh Government contact (their food business manager) was very helpful, however they were often asked questions outside of their remit. The issue was finding the right government officials to refine issues which were outside their food business manager's remit.
- 3.117 One interviewee reported that throughout their participation in the scheme the project personnel within the Food Division Team changed quite regularly. This was thought to be due, in part, to the reshuffling within civil service teams caused by the preparations for Brexit. They also reported that key individuals responsible for managing the scheme also changed.
- 3.118 This finding was mirrored by survey respondents who also commented that during the project the personnel within the department changed fairly frequently, and therefore stressed that *'a continuous contact point would have been more of a benefit'*.
- 3.119 Survey respondents were also asked whether the support provided was timely. Chart 1.7 demonstrates that although most respondents agreed (9), two respondents strongly disagreed.

Chart 1.7: Timeliness



3.120 The change in Welsh Government staffing had multiple impacts on the businesses. Some issues reported were:

- delays in claiming money back (resulting in cash flow issues);
- difficulties contacting the right person to answer queries, and;
- lack of communication/information sharing from officials to businesses.

3.121 One interviewee explained how the change in officials' half-way through their project resulted in a six month delay in claiming money back. This was due to their second payment being administered by different people;

'We probably had the best part of a six month delay because the teams of people dealing with the paper and the administration had completely changed.'

'It was a real shame because it did impact on us, because the cash flow issues for us were severe, what happened was we suddenly couldn't get our hands on the second stage of the grant'.

This was reported as frustrating as the process went suddenly from 'a well-oiled machine' (before the merging of teams) to a more complicated process due to:

'the preparations for Brexit and the fact that people were being moved from one thing to another, again it was this great raft of uncertainty around leaving the EU, and how no one could really get their act together, it impacted on us'.

'In the middle of all these rearranging teams the actual impact at the level we're working at is crucial'.

3.122 Several interviewees reported that their food business manager was their only consistent point of contact;

There was 'nobody else we could contact, speak to, and names changed constantly, so [food business manager] was my only port of call, so that was frustrating.'

Some interviewees reported that they relied heavily on their food business managers to find the right contacts to answer their questions, one interviewee reported:

'Of course our [food business manager] could only go so far, then they'd have to find somebody else to answer the questions because it wasn't their job role but he was our only person that we could actually speak to from start to finish, and he'd say well I don't know but I'll try and find someone who can come back to you and answer you.'

3.123 Finding the right Welsh Government official to answer questions was made increasingly difficult by the lack of communication between the officials and the businesses. One interviewee stated;

'Not being told when colleagues we were dealing with had moved on. So we would be weeks and weeks and weeks trying to speak to people to find out that they'd either left the Assembly or they'd moved into a different department and were no longer looking after us.'

3.124 This delayed the business' project and they were still finalising the details at the time of interview.

3.125 A lack of knowledge from Welsh Government officials was also reported as a result of the changes within teams. One interviewee reported *'it was so frustrating'* because *'nobody could answer our questions and when you did speak to somebody he or she wouldn't have the answers'*.

3.126 One interviewee summarised their challenges of contacting Welsh Government officials as inconsistent and found difficulties in building relationships which were short lived. They reported that:

'It seemed like the people that you dealt with changed...we haven't dealt with the same person all the way through which would have been nice. You build up a bit of a relationship with someone (there's nothing wrong with the people that have been

working there) but it seems five minutes later they've moved onto another role and then you start again with someone fresh... and these people who have come in take a bit of time to find their feet and how everything works'

- 3.127 Several interviewees suggested continuity of support from officials as an improvement to the scheme;

'You need continuity from start to finish, and a case worker who then stays with you throughout the whole project and then at least you have a point of contact'

'To have a sort of a main contact within the Welsh office who supported us and maybe that's asking a lot'

'A continuous contact point would have been more of a benefit'

- 3.128 One interviewee referred to the inconsistency from support officials as being like a *'wild card'*, explaining that perhaps it wouldn't happen again/be an ongoing problem in the future, as Brexit becomes resolved and teams re-settle.

Lack of flexibility

- 3.129 The scheme as a whole was also reported by one interviewee as quite inflexible. They reported that the *'stages you had to go through were quite rigid'* and you had to *'go through a certain amount of hoops, and then the goal posts move or the business moves on'*. They reported that they were struggling to stick to such a rigid system when their business was *'moving at the clappers'*. The interviewee explained that any changes made to the project would cause delays, so *'it makes it very hard when it takes so long'*. For this interviewee, they felt that for businesses which are growing very quickly, the scheme is not flexible enough to adapt to the pace of change.
- 3.130 Support officials also reported that there was a *'ddiffyg dealltwriaeth rhwng y bobl sy'n creu'r strategaethau a'r polisiau a'r gwariant mewn llywodraeth...a'r cwmnïau sydd yno ar lawr gwlad / lack of understanding between the people who create the strategies and the policies and the spending in government...and the companies out there in the countryside'*. They reported that this lack of understanding makes the scheme inflexible for working around the fast pace of businesses, often where there are only a few people *'brwydro i wneud chwe swydd ar yr un pryd / battling doing six jobs at the same time'*.

3.131 Some interviewees reported a different opinion, stating they found the scheme reasonably flexible. One interviewee reported that they could modify what they initially applied for, and another acknowledged that their plan developed and changed and they were able to amend their application form accordingly;

'It was quite a flexible approach from your end which helped us get to what we wanted to get to'.

3.132 Some interviewees stated that flexibility wasn't an issue as their projects fitted into the scheme which was why they had chosen it in the first place.

Additional areas/types of support

3.133 Food Business Managers were asked whether they felt there were any gaps or limitations in the support currently provided by the Food Business Investment Scheme. Both interviewees reported that a wider range of types of support would be beneficial for food businesses. At present, the scheme primarily supports capital investment. One interviewee reported that technical expertise and project management are areas where extra support is needed, whilst the other interviewee mentioned marketing support.

3.134 Similarly, when businesses were asked for their ideas on future improvements to the scheme, a few interviewees suggested they would like additional support outside of capital investment. Interviewees reported that now they had received the capital investment they would like to see *'follow-up funding'* in other areas such as marketing support, research and development, and training opportunities (e.g. training in HR, health and safety...):

'there's always room for some form of business support such as research and development'

'we'd be looking for marketing, we don't shout about ourselves enough, we don't market ourselves enough'

'support in HR and health and safety and things...that would be very helpful'

'[support from] a sales man or an accountant for three months or so'

3.135 In addition, interviewees reported that they would find it useful to be *'pointed in the right direction'* of further support once they reached the end of their support from the Food Business Investment Scheme. One interviewee who is at the final stage of the

grant reported that they would have liked to be pointed in the right direction at the end:

'there's perhaps a little bit of a lack of liaison. What would have been nice would have been for at this stage to say okay you've got this far, now these are the various avenues which the Welsh Government might be able to point you in the direction of support that will apply to your business. Rather than it being a kind of drop off and it not going any further'.

3.136 One support official reported that in one instance the scheme didn't cover the 'biggest cost' which for them was purchasing livestock. They suggested that if the scheme covered purchasing of livestock, then it would be a better investment for certain businesses.

3.137 Finally, one interviewee reported they had little improvements to suggest as they are very pleased with the scheme, they reported:

'I think the Welsh food division of the WG does a great job, they really do and I would love to make a sensible contribution to improve things but I feel we're spoilt in Wales. The Government offers us a great deal of support that I know that other people don't get, people in other areas of the UK, so I'd love to give more feedback but I'm happy with everything'.

3.138 One support official reported that there are some businesses, particularly smaller businesses, who are not applying for support from the scheme. They suggested this could be attributed to the perception amongst smaller businesses that the scheme was for larger companies rather than smaller businesses like them. They reported that this perception stems from a lack of understanding of the details of the expression of interest form which outlines, for example, that a certain percentage of new jobs must be created. The support official reported that if smaller businesses feel as though they cannot meet the requirements they will not apply. They suggested that a clearer explanation of the application requirements would be beneficial.

3.139 Both support officials from Cywain therefore suggested 'smaller pots of money' for smaller companies would be beneficial. They reported that smaller companies in rural areas would benefit from smaller amounts of funding (typically five to ten thousand pounds) which would enable them to invest in tools or units (work spaces) and enable them to grow.

- 3.140 One support official reported that *'potiau llai yn gallu bod yn fwy buddiol, yn enwedig mewn ardaloedd gwledig ac ar gyfer cwmnïau llai sy'n gallu tyfu ond sydd angen hwb bach / smaller pots can be more beneficial, especially in rural areas and for smaller companies with the ability to grow but just needing some small injection'*. A small investment would enable them to *'dyfu ychydig yn fwy / grow a little more'* and even *'creu un swydd arall / create one more job'*.
- 3.141 They also suggested that if there was a *'smaller pot of money'* for smaller businesses to apply for, then the application process could be *'speedier'*. It was suggested that these smaller pots of money could go towards things such as distribution and packaging.
- 3.142 Support officials also reported there is a shortage of units for processing. At present some businesses are hiring processing units for one or two days a week but they cannot afford to make the step to invest in their own unit and have access to one full time. One official suggested *'cydweithio gydag unedau cynhyrchu / co-working for production units'* would reduce the cost and enable more businesses to make the step to processing five days a week.

4. Conclusions

4.1 The findings from this report are based on the views of a small sample of food businesses in receipt of support from the Food Business Investment Scheme in Wales; however it provides an insight into the current effectiveness of the scheme.

4.2 Overall, participants reported a favourable attitude towards the scheme. Generally, any difficulties encountered by participants were felt to be outweighed by the strengths of the scheme. The key strengths identified were:

- the outputs businesses have achieved as a result of the support from the scheme; meeting, and sometimes exceeding, project expectations;
- the helpful support provided from Welsh Government, the food business managers; and
- the direct impacts which research participants attributed to the scheme such as, increased employment, training, and environmental sustainability.

4.3 These aspects contribute to the popularity of the scheme, confirming that it is filling a gap and in high-demand.

4.4 However, some areas for improving the Food Business Investment Scheme were also identified. The three main areas identified by research participants as areas of improvement were:

- the timeline of the application process, including quickening the turn-over time of the full-application stage so that the grant is awarded within a shorter time period;
- the claims process; suggestions focused on making the process more flexible and simpler in order to save time and accommodate project changes; and
- communication with Welsh Government officials, in particular improved communication between officials during hand-over periods so that all officials are up-to-date and able to help with enquiries from food businesses.

4.5 Despite the challenges mentioned by participants in the research, overall, the majority felt the Food Business Investment Scheme had hugely benefited businesses in Wales and had a positive impact on those businesses in receipt of support. Research participants reported they would like to see future investment in other types of support, such as training and management.

Reference section

[Brexit and our land: Securing the future of Welsh Farming](#) [Accessed: 01/04/2019].

[Cywain](#) [Accessed: 17/04/2019].

[Food and Drink Industry Action Plan 2014-2020](#) [Accessed: 17/04/2019].

[Future Strategy & Planning for Food and Drink in Wales](#) [Accessed: 05/04/2019].

[MID-TERM Executive Report: The Value of Welsh Food and Drink 2017](#) [Accessed: 08/04/2019].

[Review into the Resilience of Welsh Farming](#) [Accessed: 02/04/2019].

[Welsh Government Rural Communities - Rural Development Programme 2014-2020](#) [Accessed: 07/04/2019].

Welsh Government Rural Communities – Rural Development Programme 2014-2020: [Food Business Investment Scheme Guidance Notes](#) [Accessed: 08/04/2019].

[Work gets underway on a successor Food and Drink Action Plan](#) [Accessed: 08/04/2019]

Annex A – Table of Applicants

This data was last updated 4th February 2019.

EOI window open and close date	Number EOI's received	Number invited to submit full applications	Number of full applications received	Number of approved applications to date (04/02/2019)	Number of applications awaiting final appraisal	Total value of projects approved (£)	Total value of grant awarded (£)
01/07/2015 – 30/09/2015	85	24	20*	19	1	30.5m	11.3m
29/02/2016 – 25/04/ 2016	65	21	18	16**	0	77m	22.1m
02/11/2016 – 18/01/ 2017	50	46	30***	24	4	3.9m	1.4m
22/05/2017 – 19/09/ 2017	50	24	19	6	0	1.6m	641k
23/04/2018 – 30/06/2018	69	18	3 (deadline is 06/09/2019)	0	3	N/A [†]	N/A [†]
23/04/2018 – 29/11/2018	8	8	0 (deadline is 23/01/2020)	N/A [†]	N/A [†]	N/A [†]	N/A [†]

*3 withdrawn & 1 rejected

**5 formally withdrawn

***18 withdrawn or rejected

[†]The window for full applications are still open, therefore some data has not been collected yet

Annex B – Additional/Background Information

The Food Business Investment scheme covers capital investments in processing equipment and supports projects that offer benefits to primary producers, either directly or indirectly, in the agriculture sectors providing the raw materials. Micro, Small or Medium Enterprises (SME's) are a priority for support. The maximum grant threshold per enterprise for any individual investment project is £5,000,000, the minimum is £2,400⁸. Applicants for the Food Business Investment Scheme must demonstrate either direct or indirect benefits to the primary producers or growers providing the raw materials that are the inputs for the processing, and that an adequate and lasting share of the wider economic benefits will accrue to primary producers. Applicants must also demonstrate that a viable market has been identified for their product(s) and that the project would not proceed without the grant. The grant can be used to improve and develop processing facilities, such as, to erect new buildings, refurbish old premises and/or to buy eligible new or second hand equipment (certain conditions apply).⁹

All projects supported through the scheme must contribute towards the Welsh Government's current overarching Food Strategy Action Plan – Towards Sustainable Growth: An Action Plan for the Food and Drink Industry 2014 – 2020. Launched in June 2014 by the then Minister for Natural Resources and Food, the plan sets out how the Welsh Government aims to help Wales' food and drink industry grow by 30 percent to £7 billion by 2020.¹⁰ The sector has made strong progress towards this target, increasing from £5.4bn in 2013 to £6.8bn in 2018, very close to achieving this ambitious target.¹¹

In July 2018, Minister for Environment, Energy and Rural Affairs Lesley Griffiths urged everyone with an interest in the future of the sector to get involved and share their views on how the sector needs to develop and where it needs to be in five to ten years' time¹². The Welsh Government and the Food and Drink Wales Industry Board have begun work on producing a new joint action plan to support the industry. Consultation meetings with stakeholders who have an interest in the industry have identified a number of common messages that they would like to address with several broad themes coming though around

⁸ The latest (May 2018) Food Business Investment Scheme guidance states the maximum threshold is £5,000,000 and the minimum is £2,400. This threshold has fluctuated over the course of different Expression of Interest windows, please see annex A.

⁹ Welsh Government Rural Communities – Rural Development Programme 2014-2020: [Food Business Investment Scheme Guidance Notes](#). [Accessed: 08/04/2019].

¹⁰ [Food and Drink Industry Action Plan 2014-2020](#). [Accessed: 17/04/2019].

¹¹ [MID-TERM Executive Report: The Value of Welsh Food and Drink 2017](#) [Accessed: 08/04/2019].

¹² Work gets underway on a successor [Food and Drink Action Plan](#). [Accessed: 08/04/2019].

'Growing our Businesses', 'Promoting Wales the Food Nation' and 'Benefiting our People and Society'. Policy officials intend on going out to formal consultation in 2019.

Annex C – Survey Questions

Review of the Food Business Investment Scheme (2018-19)

Your views on the Food Business Investment Scheme

This survey asks respondents some questions around their views and experiences of the Food Business Investment Scheme, to help highlight areas which are working well and where improvement is needed.

It should take around 10 minutes to give us your views and provide us with an insight into how The Food Business Investment Scheme is working, and inform its future development.

If you have any queries or difficulties while completing this survey, please contact Elspeth Garratt:

by phone 0300 025 3558; or email: elspeth.garratt@gov.wales

Thank you for your participation.

1. What is the legal status of your business?
 - Sole Proprietorship (single owner)
 - Partnership
 - Limited Liability Partnership
 - Limited Liability Company (private limited company, public limited company, private unlimited company)

2. How many employees does your business currently employ, excluding owners and partners?
 - 1-4 employees
 - 5-9 employees
 - 10-29 employees
 - 50-250 employees
 - More than 250 employees

3. Which of the following bands best describes the annual turnover of your company for the last full financial year?
 - Don't know
 - Prefer not to say
 - No turnover
 - Less than £25,000
 - £25,000 - £49,000
 - £50,000 - £74,999
 - £75,000 - £99,999

- £100,000 - £249,999
- £250,000 - £499,999
- £500,000 - £999,999
- £1m - £1.9m
- £2m - £4.9m
- £5m - £9.9m
- £10m - £14.9m
- £15m - £24.9m
- £25m+

4. Where would you say that your customers are mainly based...?

- Locally e.g. within 30 miles of your main site
- Across your region
- Across Wales
- Across the UK
- Across the European Union
- Internationally
- Don't know
- Other

5. Where would you say most of your competitors are based?

- Locally e.g. within 30 miles of your main site
- Across your region
- Across Wales
- Across the UK
- Across the European Union
- Internationally
- Don't know
- Other

The following questions are interested in your reasons for seeking support from the Food Business Investment Scheme.

Thinking about your motivation for applying for investment through the Food Business Investment Scheme, which of these following statements apply to you?

6. I applied for investment in order to gain... (Please choose all those that apply)

- Strategic advice and information relating to the day to day running of my business
- Strategic advice to help introduce a stepped change to enable my business to grow profitably
- Strategic advice to help introduce a stepped change to increase the numbers employed

- Strategic advice to help introduce a stepped change to grow my business in terms of productivity
7. When considering applying for the Food Investment Scheme, did you contemplate alternative sources of funding?
- Yes
 - No (*route to next section*)
 - I don't know (*route to next section*)
8. Which of the following alternative sources of support did you consider?
- Loans from private banks
 - Grant from other public sector programmes
 - Business advice / support
 - Other (*Open text box*)

We would like to gain a broader understanding of the process of applying for support from the Food Business Investment Scheme; please bare in mind both part one and two of the application process.

9. Thinking about the guidance received from Welsh Government, how far do you agree or disagree with the following statements?
(*Strongly agree; Agree; Neither agree nor disagree; Disagree; Strongly disagree*)
- It was easy to access information on how to apply
 - The guidance on making an application was clear and easy to understand
 - The eligibility and funding criteria were clearly stated in the guidance
 - OVERALL, I was satisfied with the guidance on making an application.
10. Thinking about the timeline of the application process, how far do you agree or disagree with the following statements?
(*Strongly agree; Agree; Neither agree nor disagree; Disagree; Strongly disagree*)
- An adequate amount of time was given to complete the application form
 - The timetable for the application and decision process was clearly communicated
 - OVERALL, I was satisfied with the timeline.
11. Thinking about your dealings with Welsh Government officials, how far do you agree or disagree with the following statements?
(*Strongly agree; Agree; Neither agree nor disagree; Disagree; Strongly disagree*)
- The support provided was clear
 - The support provided was timely
 - OVERALL, I was satisfied with the support I received

We would like to gain a broader understanding of any impact the Food Business Investment Scheme has on your business.

This section is interested in any ways in which the support your business has received through the Food Business Investment Scheme has helped with project investment.

12. Has the support received through the Food Business Investment Scheme enabled investment in the last full financial year?

- Yes
- No
- Don't know

13. Which category best describes your project investment?

- Red Meat
- Poultry
- Eggs
- Dairy
- Baked Goods
- Drinks
- Fish
- Horticulture
- Cereal and Snacks
- Ready Meals
- Other – please state

14. As a result of project investment, have you seen an increase in employment in the last full financial year? (Include: full and part time, temporaries/casuals, other directors. Exclude agency staff, self-employed, owners/partners)

- Yes
- No
- Don't know

15. Please state the approximate number of additional employees.
(Open text box)

Thinking about any impact of the support you have received through the Food Business Investment Scheme, how far do you agree or disagree with the following statements?

16. As a result of the Food Business Investment Scheme my business has...

- Enhanced its education, training and skills offer
- Been more innovative

Thinking about the impact of the Food Business Investment Scheme on your business...

17. Has the support from the Food Business Investment Scheme resulted in any of the following for your business? (Please choose all that apply)

- Improved competitiveness of offer
- Enhanced market position for exports
- Enhanced market position in the UK
- Added value
- Increase volume / values of exports of existing products
- None of the above

18. What changes, if any, have you made as a result of the support from the Food Business Investment Scheme? (Please choose all that apply)

- Expand production
- New premises
- Move up value chain
- Enter new markets
- Set up the business
- Increase employment
- Improve existing premises
- Enhance skills
- Diversification
- Other (please specify)

19. Overall, to what extent do you agree or disagree that your project needs have been met through the support of the Food Business Investment Scheme?

(Strongly agree; Agree; Neither agree nor disagree; Disagree; Strongly disagree)

20. Overall, how would you describe your business's performance since receiving support through the Food Business Investment Scheme?

- The volume of output is higher
- The volume of output is about the same
- The volume of output is lower

This final section is interested in gaining your views and experiences of the Food Business Investment Scheme on:

- **Any areas which are working well;**
- **Any areas where improvement is needed;**
- **Any areas you think the Welsh Government should be prioritising to help develop any future funding schemes.**

21. What, if anything, have you found particularly challenging about the Food Business Investment Scheme?

(Open text box)

22. What do you think the key successes of the Food Business Investment Scheme are?

(Open text box)

23. Do you think the focus of your business will change in the next five years?

- Yes
- No (Route to final question)
- Don't know (route to final question)

24. If yes, in what way/s?

(Open text box)

25. What are the key/top three issues your business will face over the next five years?

(Open text box)

26. If you have any further comments, ideas or suggestions regarding the Food Business Investment Scheme, please use the space below:

(Open text box)

Annex D – Interview Guide (Food Businesses)

Date and time of interview:

Organisation/Business:

Good morning/afternoon. May I speak to [NAME - Drawn from pre-determined list].

My name is Kate/Elspeth. I'm from The Sustainable Futures Research team, Knowledge and Analytical Services, in the Welsh Government and we have been independently commissioned to carry out research into the Food Business Investment Scheme. In our last email correspondence you kindly offered your time to participate in this interview, so thank you for sparing the time.

We are currently undertaking telephone interviews to explore business' views and experiences of the Food Business Investment Scheme, to help highlight areas which are working well to inform future schemes.

We are speaking to businesses from across Wales, and the information will be used to inform how the Welsh Government's Food and Drink sector supports businesses. Responses to the survey will be summarised in a report, and you will not be identified in any way.

NOTE: The report will be published on the Welsh Government webpages, and we will send them a link to the report. Aim to publish the report in April/May 2019.

Your responses to our questions will remain completely confidential. The information you and other businesses give us during interviews will be completely anonymised.

The interview should take no more than 20 minutes to complete. You can stop the conversation at any time and skip any questions that you don't want to answer.

With your consent, I would like to audio record the interview. The recording will be transcribed by myself within the next few days and will then be deleted. Any personal data

you may have provided during the interview will be redacted from the transcription before analysis.

Are you happy for this interview to be audio recorded?

- Yes – if yes, continue
- No - if no, then please thank them for their time and end the interview.

Thank you. I am now going to start the recording and begin the interview.

Warm-up questions

- 1. What business do you work for?**
- 2. What is your role within the Business?**
- 3. How long have you worked for the Business?**
- 4. How did you hear about the Food Business Investment Scheme?**
*PROBE: Facebook, twitter, website, open day / events, word of mouth
(Through Welsh?)*

Practice / Process Questions

- 5. Why did you apply for support from the Food Business Investment Scheme?**
*PROBE: Motivation for applying
Did you consider alternative sources of support?
If no, why?
If yes, what? – and why did they go with FBIS?*
- 6. How would you describe the application process?**
*PROBE: views on application form one and two?
(Support available in Welsh?)*
- 7. What did / do you expect to deliver?**
PROBE: Objectives for applying; business facing any challenges and / or opportunities?
- 8. What did you actually deliver?**
*PROBE: Have your expectations been met?
If no, why?
If yes, how?*

What worked well (impacts)

9. As a result of the Investment Scheme, what, if anything, worked well?

PROBE: Any changes in the business? If so, what...?

Attracted new business? If so, where from (e.g. local, regional etc.)?

10. As a result of the Investment Scheme, has your business...

a) ...increased employment?

if yes, PROBE for more detail (e.g. full time / part time; more secure employment; skilled work etc.?)

(Employed more Welsh speakers?)

b) ...increased turnover?

if yes, PROBE for more detail – e.g. competitiveness of offer; market position (Wales, UK and exports); increased volume / value of product

c) ...improved its training offer?

PROBE: education; skills (incl. soft skills)

PROBE: are these changes likely to be sustained?

(Training made available in Welsh?)

d) ...improved its Sustainability offer?

(by sustainability we mean environmental sustainability)

PROBE: are these changes likely to be sustained?

e) ...added value to local food supply chains?

(i.e. better integration with local food chains by utilising local producer groups and promoting local markets and short supply circuits.)

PROBE: are these changes likely to be sustained?

What didn't work well (impacts)

11. What, if anything, has not worked well?

If yes, what? And why?

Any project needs not been met?

12. What, if any, have been the main challenges?

Are these challenges ongoing / resolved?

Any gaps / limitations?

What barriers have you faced? (vs) What barriers do you foresee?

Future Improvements

Finally, we are interested in understanding any improvements which could be made to future schemes, and we would really like your ideas on this. So, thinking about future improvements...

13. What, if any, business support are you likely to require in the future?

PROBE: your ideas? What kind of support would you like in future?

PROBE: Environmental? Training/skills development? Health?

14. Do you have any other comments or feedback?

Annex E – Interview Guide (Business Support Officials)

Warm-up questions

- 1. How long have you been a grant manager?**
- 2. Which region/area in Wales do you cover?**
- 3. Briefly, what is your role with the businesses in [region/area] who have received support through the Food Business Investment Scheme?**

Process Questions

- 4. How would you describe the application process?...**
...for businesses?
...for Welsh Government officials? – what is your role / what support do you provide during the process?
PROBE: time frames; complexity; eligibility criteria
- 5. To what extent do you think the businesses you support have met grant objectives?**
PROBE: Achieved more / less / different to what was originally outlined in the application? Could they have achieved the objectives without the grant?

What worked well / Strengths

We're interested in hearing your views on what has worked well about the Food Business Investment Scheme.

- 6. What do you think works well about the Scheme?**
*PROBE: What do you think works well about the Scheme for...
...the businesses' supported?
...Wales' Food and Drinks sector more generally?*
- 7. What do you think the main strengths of the Scheme are?**
PROBE: Any specific examples of strengths?

What didn't work well

We're also interested in hearing your views on what hasn't worked so well about the Food Business Investment Scheme. Thinking about your experiences as a grant manager...

- 8. What do you think hasn't worked so well about the Scheme?**
PROBE: Any programme needs not met? Any businesses needs not met?

9. What have been the main challenges with the Scheme?

PROBE: Are these challenges ongoing / resolved? How reactive is the Scheme? - does it keep pace with business needs/opportunities? How flexible is the Scheme?

10. What, if any, barriers have businesses faced with how the Scheme is run?

11. Do you think there are any gaps / limitations in the support currently provided through the Scheme? – if yes, what are the gaps / limitations?

We're also interested in finding out more about your views on the challenges facing businesses. An objective of the research is to gain a greater understanding of how the Food Business Investment Scheme works in practice to help prioritise and develop areas for future support. With this in mind...

12. What challenges do you think businesses will face in the future?

13. What support do you think businesses will need to help face these challenges?

Future Improvements

Finally, we are also interested in understanding any improvements which could be made to any future schemes. We would really like your ideas on this. So, thinking about future improvements...

14. How do you think the Food Business Investment Scheme could be improved?

PROBE: Which of those improvements you just mentioned do you think are the most important? - Why?

15. Is there anything you think needs to improve / be in place for Wales' Food and Drinks sector to succeed in the future in terms of...?

- ...infrastructure
- ...investment / funding
- ...training
- ...technology
- ...knowledge / expertise

That was the last question of the interview. Before we conclude...

16. Are there any other comments / feedback you would like to share with us?

Annex F – Case Studies

Tenby Brewing Co.

South West Wales

In 2017, the microbrewery Tenby Brewing Co. applied for support from the Food Business Investment Scheme (FBIS) to increase their production capacity and to diversify their products. The capital investment funding was used to purchase larger premises and specialist equipment such as fork-lift trucks and modern brewing equipment.

Their motivation for applying was to gain *'sufficient capital for establishing our business model'*. They chose the FBIS because it was *'well-tailored to what we needed'* as alternative schemes were not on a large enough scale for their business plans.

Part way through the grant, Tenby Brewing Company experienced a large delay in receiving part of the grant funding due to the reshuffling of teams in the Welsh Government. Despite these issues with the claims process, they were satisfied with the initial support they received from their 'single liaison person' which 'worked brilliantly'.

As a result of the scheme, Tenby Brewing Co. have diversified into new markets targeting boutique pubs and top-end eateries; *'we've been able to expand into canned beers which are a gross sector'*. The branding for the cans is commissioned to local companies including a tattoo artist who Tenby Brewing Co. uses for a lot of their design work.

For Tenby Brewing Co. a key benefit of the grant is how *'it's been designed so that you can launch a business expansion on the back of it'*. Due to their new equipment, the business is now more efficient in terms of productivity per person.

In addition, they have *'trebled'* their turnover and increased employment. They also commented that, as they now own their premises, they are in a much better position to make environmental changes, such as fitting solar panels, than if they were still leasing;

'The grant has enabled us to install low energy lighting so there is a direct impact on sustainability'

When thinking about future improvements to the scheme, they suggested they would like support for Research and Development and advice on attracting new staff.

Tenby Brewing Co. reported that in relation to the grant *'we have driven through our expectations'*.

Date of Interview: March 2019

The Authentic Curry Company Ltd

South East Wales

In September 2015, The Authentic Curry Company, who manufacture prepared meals and dishes, applied for support from the Food Business Investment Scheme for the expansion and improvement of manufacturing and storage facilities to enable increased capacity to meet demand from new and existing markets.

The Authentic Curry Company chose the scheme as they wished to expand the production facility and their project aims fitted with the criteria of the scheme; *'it was a complete business expansion for us to move to another level'*.

A key part of the project was to install *'modern and efficient'* new freezers which used a more environmentally friendly refrigeration gas. In terms of environmental sustainability, they also reported they have made *'significant improvements'* as they now have more efficient equipment.

The Authentic Curry Company reported there were *'some frustrations'* with the online platform used for making claims as it was difficult to input any *'slight project alterations'*. Despite this issue, they reported they *'achieved everything I set out to do'* and overall they were pleased to have received support through the scheme.

As a result of the scheme, Authentic Curry Company now uses more Welsh beef than they *'ever used before'*. They reported that *'the bulk of the beef we use is from the Celtic Pride Scheme'* and that 93 per cent of their raw materials is bought from within the European Union.

They are also strengthening relationships with existing customers:

'...we're in Tesco, Asda, Morrison and Sainsbury's with Welsh beef curry and Welsh beef cottage pie and chilli con carne. That's all growing and we have great relationships with them'.

According to the Authentic Curry Company the *'Food Division of the Welsh Government does a great job...we feel we're spoilt in Wales as they offer us a great deal of support'*.

'I'm very grateful for the contribution we've had, the business has improved in efficiencies and the aesthetics of the business. It's been a good scheme to be involved in'.

Date of Interview: March 2019

Henllan Bakery

North Wales

In April 2016, Henllan Bakery were producing cakes for 600 customers, and were looking to further grow and expand. They applied for support so that they could *'grow together with the grant'*. One year later, they successfully gained support from the Food Business Investment Scheme which was used to *'deliver a brand new bakery'* to meet increasing consumer demands. As a result of the support, they reported that *'with the new facilities we can now offer more competitive prices as we can produce the product a lot quicker'*.

With the funding they have been able to *'grow a lot quicker'* and at a *'nice and steady pace'*. They have sixteen additional full time employees and have also significantly increased their annual turnover.

They reported that the *'more challenging bit'* they experienced was the delays in claiming money back which could have been *'a more speedy process'*. Despite issues with the claims process however, overall they found *'the support [from the scheme] has been phenomenal'*.

In addition, Henllan Bakery *'now source 99 or 98 per cent of our ingredients from the EU'* using a *'butcher which is ten metres away'* and buying *'yoghurt from a company which is only five minutes up the road'*.

Henllan Bakery has also increased their sustainability offer. For example, the bakeries now have 144 solar panels. They have also made smaller changes such as labelling equipment with stickers which inform workers when to turn them on and off to conserve energy, and placing *'cut off product cake into boxes which we sell for a pound, diverting it from landfill'*.

When considering future improvements, Henllan Bakery suggested *'we'd be looking for marketing support, we don't shout about ourselves enough, we don't market ourselves enough'*.

Henllan Bakery reported that the support from Welsh Government officials was *'phenomenal'* and that *'we couldn't do what we've done without them'*.

Date of Interview: March 2019