



Department for
Science, Innovation
& Technology

Bio Manufacturing Fund (BMF)

Applicant Guidance and Application Forms

OGL

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Overview - Online Fund Application Guidance

This guidance is designed to help companies complete an online Application Form for government funding from the Bio Manufacturing Fund (BMF).

The BMF objectives are:

1. **Increasing health resilience** in the UK for future pandemics through increased domestic capacity, or by providing flexible capabilities that have the ability to be re-deployed.
2. **Creating economic opportunity** through investments that will make a substantial contribution to Gross Value Added and provide high-wage, high-skill jobs.

Each section gives general guidance on the questions asked within the EOI and/or Application Forms and how to present evidence regarding your project. Please contact BMF@officeforlifesciences.gov.uk should you have any queries or need assistance.

Companies can submit more than one Application Form, but these must be for clearly distinct investments.

The **minimum total project costs for this fund are £12m**. There is no upper limit on the size of project that applies for funding. The Scheme Guidance provides more information on the costs to be included for your project.

Application Form Online Guidance

You will have submitted an Expression of Interest Form for this Scheme and are now at a point where you have been invited to submit an Application Form and advised of your deadline for submission. We have tried to avoid duplication of information that you may have submitted already, but we will require more detail and evidence to support your application at this stage so some duplication will be required.

You must complete the Application Form including any attachments and upload a fully completed Funding and Economic Impacts spreadsheet (this can be found at section H - Markets and Economic Impacts). This guidance gives the information we need to assess the potential economic benefits provided by the proposed investment of public money. You will also need to upload a business case (at section E: Funding) to provide any other information you deem necessary to help demonstrate how your project will achieve the objectives of this scheme as set out in the scheme guidance.

When you have completed all sections of the Application Form and uploaded relevant additional documents and completed templates, you will need to submit the Application Form. The deadline for submission of your Application Form will be agreed during your 1-2-1 meeting. Applicants can expect to receive updates on their applications during the appraisal/due diligence process.

The onus will be on you the applicant to provide all the necessary information and fully complete the online Application Form.

Completing an Application Form

The Application Form is divided up into Sections. Firstly, you will be asked to confirm that you accept the Privacy Notice and Disclosure of Information requirements again since completing the EOI Form.

Then you will need to complete an Application Form providing more detail and evidence to support your application to the BMF.

The following gives specific guidance on the various sections of the Application Form.

Section A: Company

In this section you (the applying company) will need to provide a brief overview of your company, its main business activities, current employment levels, other public funding your company has received and details of your immediate and ultimate parent company (if you have one). We will also need you to provide contact details for the project Director (this needs to be a company director registered on Companies House) as well as your day-to-day contact details and other key project contacts.

If you have an immediate or ultimate parent company, you will need to provide information on the nature of the group/company structure and responsibilities and confirm that they are able to provide a parental company undertaking and guarantee (or a bank guarantee from a bank with an investment grade credit rating) that underwrites the financial commitment to the project. This is compulsory and must be provided. Failure to do so will result in the grant not being issued.

You will be asked to upload a structure diagram/organisation chart that shows the relationship and lines of communication/responsibility between your company and the parent/ultimate parent company if applicable.

You will be asked to provide your company's NACE code which you will be able to access via a link in the Application Form. If you have a parent or ultimate parent, you will also be asked for their NACE code.

You will need to provide details of the location of the project (the address and postcode) and if relevant, the addresses of your parent and/or ultimate parent company.

You will also be asked about any other public funding you may have received in the last 3 years in this section. If you have received funding in the past three years you will be asked for additional information about this funding.

Section B: Eligibility

Support can only be provided to private and commercial enterprises registered in the UK. You can only apply for the BMF if you have met the key eligibility criteria for the fund and successfully progressed through the EOI stage along with the interview and 1-2-1 stages of the EOI process.

Note, third sector or public organisations cannot apply to the BMF.

The applicant must be the ultimate owner of any assets funded by BMF as well as being responsible for achieving any agreed Key Performance Indicators (KPIs) (e.g. employment impacts).

DSIT can recover any grant award made or halt payment of grant should you fail to meet any agreed KPIs.

In this section, we will ask questions relating to the minimum grant you require, why you need this grant, if you have exhausted all other sources of funding and the timelines of the investment. You will also be asked questions which may require you to update the answers you previously provided within your EOI Form. You will also be asked questions relating to your company and the project you intend to deliver via the BMF:

- Will you be delivering a public sector project or service involving commercial activity?
- Have you considered and exhausted other sources of financing?
- Does your project rely on funding from any other public sector body?
- Can you provide financial forecasts which show the calculated return on investment and financial viability of the project and what would happen if you did not receive a grant?
- Is the grant that you are applying for, a capital investment project? (Research and Development activity, skills and training **cannot** be funded by the BMF).
- Can you provide a credible and evidenced counterfactual argument? (i.e., that without a grant the project would not proceed as planned).
- Is the grant requested the minimum amount of grant required to deliver the project? While your grant request **must** be calculated from the amount of grant funding you can evidence that you need, historically our intervention rate (percentage of grant to your capital costs) to ensure value for money for the taxpayer has been 10-20%.
- Can you identify why you need a grant to deliver the project, and can you confirm that you would be able to supply financial forecasts and detailed cashflow forecasting showing how a grant would be used in relation to capital costs of the project? (Please note - you will be asked to provide this evidence at Section C of the Application Form).
- Can you tell us where you have tried or are attempting to raise funding from? You will be asked about Parent or Groups limited availability of Capital funds if applicable and information regarding the return on investment of the project with and without grant. You will also be asked if UK and Non-UK options have been considered.
- Can you provide the investment start date, likely end date of the investment and when the decision will be made by your Company on the investment?

Section C: Project

In this section, you will be asked if there are any minor or significant adjustments to your proposed project since submitting your EOI Form. At the Application Form stage, you will also be asked additional questions about the project you intend to deliver and how it meets the BMF objectives.

You will need to present a concise financial and operational picture of why you are undertaking this particular project. You will be asked about what the project is, when it will start and finish, where it will happen, what the main stages are and what it will achieve.

In this section you will also be asked questions relating to the following:

- What are the total investment costs to include any assumed grant? When considering the total investment, you will need to include the total of all project costs.
- When will the project be fully completed to include achievement of all outputs and outcomes?
- Is the project making a capital investment?
- You will be asked for more detail in terms of the key stages of the development, timelines and benefits. Break it down to the main cost stages/areas and show the activity, dates, and dependencies of each stage. Examples include Purchasing or leasing a new property or facility, or capital investment in a current facility or new facility, or manufacturing operation.
- Where will the project take place? You will be asked to provide the region, full address and site postcode (if available) where your project will be located and the subsector relevant to this project.
- What products will your investment onshore (bring manufacturing capacity of the product to the UK)? Is your product new, or will your investment provide additional output where existing UK manufacturing is in place?
- What is the current total number of jobs at the site?
- Is there a requirement for land or property transaction?
- Does this require planning permissions and what are the timescales for this?

Section D: Financial Information

In this section, you will be asked to provide financial information relating to you 'the applicant company', your parent company and your Group (if applicable), along with project forecasts. If you do not upload files at this stage, you will receive an error message on the application site, you can continue with your application and upload these files at a later point in the application process. Financial information should consist of:

- Audited (or unaudited if applicable) accounts for both the applicant and parent company along with the Group (if applicable) for the previous two financial years. If you cannot provide these, you will be asked to explain why.
- Management accounts for both the applicant company and parent company for the remainder of the current financial year and forecasts for the following four financial

years will need to be uploaded in this section. If you cannot provide these, you will be asked to explain why.

- Project Financial forecasts to show the calculated return on investment, financial viability of the project and evidence the gap in funding or lack of return on investment as well as evidence of other sources of funding if applicable. If it is easier to upload two separate forecasts showing the project with grant support and the project without the grant, you will be able to do this in this section.

Section E: Funding

In this section you will be asked to set out and provide evidence for what would happen to the project if you did not receive a grant, or if you were offered less grant than requested.

This section relates back to information you provided at Section B (eligibility): Secondly, there are questions to explore the company, parent and group approach to the return on investment and how it affects this project.

You will need to provide financial analysis with and without grant and you will need to clearly demonstrate the cost gap.

Finally, you will be asked to upload your business case in this section, although parts of this may have been uploaded in other areas of the Application Form, such as Section D: Financial information. The business case at Section E must be at least 1 and at most 3 files in total. Each file must be less than 15MB. If you do not upload files at this stage, you will receive an error message on the application site, you can continue with your application and upload these files at a later point in the application process.

It is important to show a sound and realistic basis for costing the alternative options. These could include non-UK locations; the project being delayed, not happening, or happening to a lesser degree or differently. Potentially, an alternative location outside the UK is being considered because:

- Government funding has been made available which leads to an increased return on investment or improves the profitability of the project.
- Administrative, labour and/or production costs are cheaper in the non-UK location.
- Economies of scale (such as other parts of the business are already located there).
- The non-UK location has also been identified as a growth market for the new product.
- More availability of an essential supply.
- Other alternative options could be:
 - Project implementation being significantly delayed (3 years or more) with a delay in the jobs or industrial development.
 - Project not happening at all.
 - Project happening to a lesser degree with less economic impacts.
 - Project happening differently with less economic impacts.
- Or other and please describe.

Section F: Subsidy Control and Northern Ireland Operations

This section of the Application Form will ask you questions relating to Subsidy Control and the Windsor Framework.

You will be asked to confirm if you are applying under European Commission State aid rules if you are an applicant who is conducting activities that will affect trade of goods and electricity between Northern Ireland and the EU as envisaged by Article 10 of the Protocol on Ireland/Northern Ireland in the EU Withdrawal Agreement.

Your responses to questions relating to the Windsor Framework will determine if you fall within the scope or out of scope of the Windsor Framework.

We may require additional information from you in relation to Subsidy Control during the appraisal of your application.

Further information is included in the Scheme guidance with links to relevant agreements and technical guidance.

You should note that, if your application is successful, recovery of funds would be required in the event of non-compliance with subsidy control requirements.

All grant awards will be made under Section 7 or 8 of the Industrial Development Act 1982

Please be aware of recent changes to the Northern Ireland Protocol (“Windsor Agreement”) of which details can be found here [The Windsor Framework](#)

Section G: Due Diligence

Your completed and submitted Application Form and attachments will be subject to an in-depth appraisal or ‘due diligence’. The purpose of this due diligence exercise includes, but is not limited to, confirmation of:

- The final amount of the award which will be subject to the evidence you provide and will be the minimum necessary for the project to proceed.
- The support being compatible with relevant subsidy control regulations in place at the location of your project.
- The existence of a financially and business credible alternative option (or counterfactual argument). Where the counterfactual argument is based on a lack of working capital additional supporting information is required.
- The deliverability of project investment and employment outputs as set out in the Application Form.
- The satisfactory financial standing of you, the applying company, and of your parent company (if you have one) and their ability to finance the project.

This section provides examples of the information you may be asked to provide in terms of capital investment and financial information deliverables. For example:

- Capital Investment deliverables

- Support for purchase of land/buildings
- Rental/lease costs of land/buildings
- Construction CAPEX improvement expenses
- Repairs and maintenance expenses
- Board Minutes
- Accounting and Investment policies
- Alternative investment decision in the absence of grant funding
- Financial information deliverables
- Cashflow/working capital forecasting
- Investment appraisal model
- FX rates
- Prior year approved budgets/forecasting

These examples are not exhaustive, and you are advised that if you do not provide the information requested, your application will not be able to be progressed and a grant award cannot be made.

Section H: Markets and Economic Impacts

This section of the Application Form provides a downloadable template 'Funding and Economic Impacts' for you to complete. Each tab in the template provides guidance on completion.

Funding and Economic Impacts Template – Project Expenditure tab

Provide details of the project expenditure along with any wider non eligible expenditure such as R&D or Training that arise as a result of the project receiving BMF funding.

Funding and Economic Impacts Template – Jobs tab

Record Jobs here and break them down by category. For each category:

State the proposed number of workers performing that role in each year, the average salary provided to the workers, the skill level (NVQ) of the workers, and their location.

The salaries provided should be the total of the workers' base wage, employer-paid National Insurance contributions, and employers' pension contributions. Expected additional payments for overtime and performance-related bonuses can be included as applicable. If the exact salaries are currently unknown, applicants should explain how the salaries provided have been estimated.

The salaries and NVQ levels of existing employees may be verified using data from HR systems. Where expected salaries of newly created roles have been included, the assumptions used to estimate these salaries must be provided, demonstrating the estimates are in line with expected hiring activity. The salaries and NVQ data are verified at the due diligence stage of the application and monitored across the life of the project.

Definition of the jobs that we will evaluate:

- Created jobs (Full Time Equivalent -FTE*) - these must be created as a direct result of you receiving BMF funding for the proposed project. These must be new workers that are hired specifically for the project in question who would not be hired without funding.

- Safeguarded jobs (Full Time Equivalent -FTE*) - these must be existing jobs at the company which in the absence of BMF funding would be lost within 12 months of the proposed signing of the Final Grant Offer Letter (the document against which the funding and required outputs will be monitored).

** A direct full-time equivalent job is one of 30 or more hours a week. If the role requires any additional hours this still only counts as one direct full-time equivalent. Two part time jobs of 15 hours or more count as equivalent to one full time job. Any part time job of 15 hours up to 30 hours should be stated as 0.5 of an FTE. Jobs below 15 hours do not count.*

Funding and Economic Impacts Template – Products

You will be asked to describe the products you will be manufacturing by type, volume and forecast for a 3-year period. If you plan to generate a wide range of new products, you may wish to group them into related products or summarise overall estimated project related sales.

We will be asking you to describe where able to do so:

- The type, volume and unit sales price of the products you are wishing to produce, the proposed delivery scale and average lifetime for the product(s).

Funding and Economic Impacts Template – Markets and Competitors

You will also be asked questions relating to the competitive environment you are facing in the UK and the value of your supply chain. This will provide us with a better understanding of what market you fit into, whether it is competitive and whether this funding may have an impact on the market. Please demonstrate how the market position is changing and how this project fits in the evolving sector and alongside other key businesses.

- The size and shape of the market for these products (including geography, driving demand factors, forecast market growth, exports).
- Who your main competitors are in the market? This should include Group and relevant subsidiaries, where do they manufacture, who has the capacity to produce this or be a future challenger?
- The differences between your current market position to what your position will be as a result of the project.
- Potential export and future growth forecasts (if applicable).
- Key factors that drive/influence market demand.
- Provide evidence of three key competitors and their respective market shares through market intelligence or sector analysis you have conducted or commissioned to guide the estimates.

Section I: Risk

Both the Application Form and resulting Value for Money assessment must show that you (the applying company) have accounted for the key risks affecting the project. You should demonstrate that the key risks facing the project have been identified, and that an appropriate strategy is in place to manage these.

You also need to:

- Describe the level of technical/execution risk that would apply to the project.
- List the key risks, constraints and dependencies associated with the project and provide a brief explanation of how these will be managed within the project.
- Provide the credit rating of the main applicant/recipient of the funding. If you do not have a credit rating, then we are asking you to select an option that best describes the main recipient/applicant's current level of stability.
- Identify any other key risks, constraints or dependencies and uncertainties associated with the successful delivery of the project, particularly around private sector leverage, jobs created/safeguarded and timing.

Section J: Team

The information that you provide in this section will help us to better understand how the project will be managed by you (the applying company). You will be asked who within your organisation is responsible for the different areas of the application, approval, and delivery of the project.

You will need to:

- Upload a schematic showing the management reporting lines for the project management (this should include the company directors and those that have decision making authority regarding this investment).
- Confirm if the sign off for the project sits within the UK and if not, tell us where it does sit and whether they have legal authority within that countries law to approve the investment for this project.
- Provide the project team's level of experience in delivering projects of this scale and complexity. If your company and the project team involved, have experience in delivering similar scale projects, we will ask you to provide examples of this.

Section K: Equality

In this section you will be asked to respond to questions in relation to the equality impacts of the project.

Section L: Declarations

In this section you will be asked to confirm you have completed all parts of the Application Form correctly including additional information as well as confirming that the application is compliant with the UK's subsidy control requirements.

Section M: Mandatory and Discretionary exclusion

In this section you will be asked to respond to questions relating to any previous convictions concerning your organisation or any other persons who has powers or representation, decision, or control in the organisation. You will be asked to provide details if applicable.

Check and Submit

Finally, you will be able to check that you have completed all sections satisfactorily after which you can then submit the Application Form. This is an automated section, and **you will receive notification that your submission has been successful.**

Once your Application Form has been submitted, DSIT will appoint a Case Officer who will act as a point of contact for you throughout the appraisal/due diligence process.

You will receive updates during the appraisal/due diligence process and your Case Officer may request further details about your application. It is essential that these requests are responded to within the time specified (as set out by the Case Officer). Failure to do so may result in your application being rejected.

If your application is successful, DSIT will set out the terms of the grant including, the level of grant the Department is prepared to offer, in the form of a grant offer letter. Further guidance is included in the Scheme Guidance. If you have any concerns over your progress, please contact BMF@officeforlifesciences.gov.uk.

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