

## Pivotal Event Businesses Fund

### Guidance for applicants

#### Background

In July 2020, the Scottish Government announced a package of support to help the events sector in Scotland recover from the coronavirus (COVID-19) pandemic, which resulted in the Events Industry Support fund (EISF, launched in August 2020) and Scotland's Events Recovery Fund (SERF, launched in November 2020), both established to support Scottish businesses in the events industry that are facing hardship, to help keep them in business while restrictions on events are still in place, and to support them to prepare for the delivery of events in Scotland when restrictions are lifted.

However as at December 2020, COVID-19 restrictions continue to be in place to the extent that events and mass gatherings are still severely limited. The impact of this is that the events sector has been almost completely unable to operate since March 2020, and that despite the positive recent progress in vaccine development, it is anticipated that the recommencement of events may not begin at scale until the spring of 2021. Despite the impact of the events funding programmes listed above and other COVID-19 related financial support, it is evident that some events businesses may still not survive beyond this winter. To respond to this situation, the Pivotal Event Businesses Fund (the "Fund") was announced in December 2020.

#### The Fund

##### What is the purpose of this Fund?

The purpose of this Fund is to help ensure the survival of those pivotal event businesses whose role, as primary organisers, suppliers, contractors and venues, is critical to the ongoing success of the events sector in Scotland, given the number of events which these businesses deliver and people they employ, the supply chain with which they contract and which is reliant upon them for their own business. This Fund is intended to ensure the retention of this capacity within the critical infrastructure that underpins a vital sector of Scotland's economy, by providing financial support to those events businesses whose solvency has been threatened by the COVID-19 pandemic.

##### What is the budget for this fund?

The total budget for the Fund is £6m. The Fund is being delivered on behalf of the Scottish Government by VisitScotland, with development input from the Events Industry Advisory Group (EIAG). VisitScotland is the awarding body for this Fund.

## How much can organisations apply for?

Applicants can apply from £25k up to a maximum of £150k, and the amount applied for should demonstrate financial need and will require to be evidenced at the application stage. Please note that this fund may be oversubscribed and therefore we do not expect that we will be able to support all applications. We also reserve the right to award an amount lower than requested.

## Who is this Fund for?

This Fund is intended to support those organisations that are pivotal to the events sector in Scotland and who are experiencing critical financial problems that threaten insolvency or significant job losses due to the impact of COVID-19, and where their financial status at the end of the 20/21 tax year is projected to be worse than it was at the end of the 19/20 tax year (pre-COVID-19).

‘Pivotal’ is intended to mean those events businesses who operate at a size and scale in their sector and/or location where the loss or insolvency of that business would have a significant and detrimental impact on Scotland’s ability to continue to host and stage major events.

The definition of ‘event businesses’ for the purposes of this Fund, is those organisations directly involved in the staging or delivery of live sporting and cultural events and festivals taking place outdoors or indoors, and which are open to the public to attend, participate in or spectate safely. In addition, this Fund is for organisations instrumental in attracting, hosting or supporting major discretionary business events, incentives and conferences. All these events would generally be one-off occurrences or taking place annually in Scotland. Appendix A gives more detail on the types of events which have a strong alignment to the purpose of this Fund, as well as those events which have a limited alignment.

This Fund is open to registered organisations including companies limited by shares, companies limited by guarantee and charities. Event Businesses must have a place of business in Scotland and be delivering and/or supplying to events physically taking place in Scotland. Businesses will need to demonstrate that events are a primary source of income. If an organisation operates with multiple subsidiaries and/or venues this should be made clear in the EOI and application, and will be taken into consideration as part of the assessment.

Further detailed information on eligibility criteria is set out from **page 3**, and a list of both eligible and ineligible business types is set out on **page 4**.

## What is the process and timeline for the Fund?

1. The process for the Fund is in three parts:
  - part 1 - Expressions of interest (EOIs);
  - part 2 - Application; and
  - part 3 - Panel decision.
2. Businesses which meet the eligibility criteria will be able to submit EOIs from **midday on Wednesday 16 December 2020 until 5pm on Tuesday 22 December 2020** via the form available on <https://www.visitscotland.org/events/funding/pivitol-event-businesses-fund/EOI-form>. Any EOIs received after this period will not be considered. EOIs **will not** be assessed on a first come, first served basis.

3. From the EOIs, **only approximately 50 - 100 organisations** which meet or exceed the eligibility criteria, and which are assessed to represent a sectoral and geographical spread of the most significant event organisers, suppliers and venues operating in Scotland, will then be asked to submit a full application.
4. Businesses which are then asked to submit a full application, will from **Tuesday 5 January 2021** be provided with the appropriate information, guidance and timescales to do so, and it is anticipated that the application process will open shortly thereafter and will be open for approximately 7 working days. Applications will not be assessed on a first come, first served basis.
5. Following the assessment of all the applications, a panel consisting of VisitScotland staff and industry representatives will make the final decisions on the funding to be awarded.

## Part 1 – Expressions of Interest

We are looking for EOIs from events businesses whose survival is most critical to the recovery of the events sector in Scotland, and upon whom the wider events industry and supply chain are most reliant for their own business and operations. These businesses will be the primary organisers, suppliers, contractors or venues in the events sector in Scotland, and will have been directly involved in the delivery and organisation of a significant number of major events, festivals and conferences in recent years.

With £6m of funding available, please note that not all businesses which submit an EOI, nor all those which meet the eligibility criteria will be asked to submit a full application.

### What information needs to be provided in the Expression of Interest?

Businesses will be asked to provide information which confirms that they meet all of the following eligibility criteria, as well as setting out the nature of the event business:

- Event Businesses must be either an event organiser, event supply chain business or event venue **and** meet the minimum thresholds for each as detailed in **Table 1**;
  - Please select Event Organiser if this is the primary nature of your business. For the purpose of this fund a DMC would be classed as an event organiser.
- Have a permanent place of business in Scotland (registered business address or premises);
- The business is an “eligible business type” as set out in **Table 2**, for which supply to events is the primary nature of the business;
- The business has been negatively impacted by COVID 19 which has resulted in critical financial issues that threaten the solvency of the business and/or significant job losses, and that the financial status at the end of the 20/21 tax year is projected to be worse than it was at the end of the 19/20 tax year (pre-COVID-19);
- The business was NOT in financial difficulty before December 2019 (if you are a SME or Large organisation) – please see the State Aid section in the guidance document for more information.

In addition, if you have successfully received funding through Creative Scotland’s COVR or PAVR funds, or any other COVID-19 funding which has provided financial support with the intention to help businesses avoid insolvency, you may not be eligible to apply to this Fund if your financial situation has not changed since the receipt of such awards.

**Table 1 - Eligibility Criteria**

<b>Minimum Threshold Requirement</b>	<b>Event Organiser</b>	<b>Supply Chain Business</b>	<b>Venue</b>
Turnover from latest filed accounts which represent pre-COVID activity - (note this is NET sales)	£500k	£500k	£500k
FTE Staff employed in Scotland in March 2020 (Pre-COVID)	3 FTE +	10 FTE +	30 FTE +
Number of events in Scotland delivered / supplied into in financial year April 2019 – March 2020 (Pre-COVID)	5 +	50 +	50 +
Capacity to host events (This is fixed capacity and not with additional temporary infrastructure)	NA	NA	1500

**Table 2 - Eligible Business Types**

Events Medical Services
Health & Safety Provision for Events
Audio Visual and Technology
Staging and Temporary Seating
Temporary Event Utilities
Production Services for events
Marquee Hire
Event and production Crew
Event organiser / producer / promoter
Event Catering
Security
Event Transport
Ticketing
Exhibition Services
PCO - Professional Conference Organisers
DMC - Destination Management Companies
Venue

**The fund is not intended to support;** Local Authorities and/or Leisure Trusts; Theatres; Galleries; Museums; Nightclubs; Hospitality industry such as hotels, restaurants, bars, cafes; Funfair Operators; Shopping centres; Casinos; Bingo halls; Community sports groups, teams or clubs; Community groups; BID groups; Professional sports Teams/Clubs; Governing bodies; Market Operators; Activity Providers; Wedding Planners. Please note this list is not exhaustive, and we reserve the right to add further ineligible business types during the assessment process for the purposes of clarity.

### **How will I know if my business is asked to submit a full application?**

Businesses invited to submit a full Application will be informed by email from **Tuesday 5 January 2021** and will be provided at that time with application guidance and a unique access pin and link to the online application form. Please note, the online application form will not be live on Tuesday 5<sup>th</sup> January – the email you receive with your pin will detail when the form will be available to complete. You will also need to use the password created during the EOI stage to access the online application form. Once open, applications will be required to be submitted and completed within 7 working days.

If your EOI is not successful, we will inform you by email by 5pm on Friday 8 January 2021.

## **Part 2 – Application Stage**

### **What information needs to be provided in the full Application?**

The full application process is designed to ensure that funding reaches the businesses where it is needed most to ensure the recovery of the events sector in Scotland. Funding will therefore be prioritised towards those organisations which can evidence and demonstrate that they play a pivotal role across the events industry in Scotland.

Each application will be assessed based on two overarching criteria:

1. The organisation's impact on the events industry in Scotland, and the extent to which the wider sector is dependent on its survival. To measure this, evidence will be requested to demonstrate the following:
  - a. The scale and impact of the events your business is involved in the delivery of / supply to. This will include the number, size and scale of events, attendance levels, geographic location, and the businesses reliance on events income;
  - b. The impact of the business on the wider events supply chain. This will include the number of contractors, freelance staff, and employment opportunities;
  - c. Alignment with the National Event Strategy, [Scotland The Perfect Stage](#), or for Business Events, Scotland's key economic sectors
2. The business's current financial situation, and the financial impact which COVID-19 has had on the overall solvency of the business, taking in to account all income and support which it has been able to secure since April 2020:
  - a. The setup of your business and the main sources of income

- b. The financial health of your business at the end of financial year ending March 2020 compared to the projected financial health of your business at the end of the financial year ending March 2021.
- c. How your business has managed its staffing during lockdown
- d. The level of funding required to sustain your business

In addition to the information submitted as part of the EOI, applicants will be required to describe and evidence in more detail the extent to which they meet all the EOI and application criteria above. Applicants will be able to apply for funding from £25k and up to £150k in order to help the business avoid insolvency, and the financial information requested will need to justify the amount requested. For example, the types of financial information required will include:

- Latest filed Annual Accounts;
- Management accounts as at 31 December 2019;
- Cash flow forecast (from 1 March 2020 to 31 March 2021), and
- Bank statements from December 2020.

Demand is expected to be high and the fund will be competitive, and given the available level of support, this will not allow every event business to be fully supported to the amount requested, nor replace all income lost. Applications will be assessed comparatively to determine which organisations are most in need financially to protect jobs, to help avoid insolvency, and will continue to make a significant contribution to the events industry in Scotland. Please note that not all businesses who are invited to apply may be successful in receiving a grant award, and those who are successful may not receive the full amount requested.

### **Part 3 – Panel decision**

Decisions on all applications will be made by a decision-making panel consisting of VisitScotland's specialist staff and industry representatives. The panel will consider the individual merits of each application, examine the relative strengths and impact of each application in relation to other applications. Applications will also be reviewed by an accountancy firm procured by VisitScotland which will review and assess the financial evidence submitted with the application. It is possible that some applications which have been successful at the EOI stage will not be awarded funding by the panel.

If your application is rejected, you can appeal this decision. Any appeals should be submitted in writing to [pebfundappeals@visitscotland.com](mailto:pebfundappeals@visitscotland.com) together with a justification for the appeal.

### **Accessibility, Terms & Conditions and Freedom of Information**

If you are successful, you must sign and return the grant award letter and accept the terms and conditions before the funds will be paid into the organisation's bank account. If you receive grant funding from this Fund and it is subsequently determined that you have provided false or inaccurate information as part of your EOI or application, VisitScotland will seek to recover, with costs, all sums awarded to you from this Fund.

VisitScotland is subject to the Freedom of Information (Scotland) Act 2002 and may be obliged to release information about your application or grant award in response to any requests received. Information on all grant awards will be published on the European Commission Competition database.

If you require the forms to be made available to you in another format for accessibility reasons, please contact [pebfundenquires@visitscotland.com](mailto:pebfundenquires@visitscotland.com).

### **Data protection**

We will use the data provided by you in the EOI form and/or the application form and supporting documentation to assess your application for grant funding and contact you regarding your EOI and/or application. Information provided by applicants as part of the process and/or the supporting documentation will be verified against other information sources held by COSLA and/or relevant local authorities and/or other Scottish public sector bodies and will be shared with a procured accountancy firm to complete the finance checks, industry representatives (who will form part of the decision panel), relevant local authorities, the Scottish Government, the Events Industry Advisory Group and/or other Scottish public sector bodies for verification purposes and reporting. If you want to find out more about what we do with your data, please see our [Privacy Policy](#).

### **Completing the digital forms**

Please ensure that you have all information and supporting documentation ready so you can complete and submit the relevant form in one sitting as, once you start to complete either form, you will be unable to save it and return to it later.

All the mandatory fields within the form must be completed before the Expression of Interest or Application form can be submitted. Should you miss any mandatory information or enter any information incorrectly, you will not be able to submit the form. The field(s) requiring attention will be highlighted and you will be required to complete / correct these before you are able to submit. You will also be required to upload your supporting documentation to the form again.

Businesses invited to submit a full application will be provided with a unique access pin and link to the online application form. You will also need to use the password created during the EOI stage to access the online application form.

Supported browsers for these forms are up to date versions of Chrome, Firefox, Safari, Edge, and Internet Explorer 11. We cannot guarantee successful operation / submission on older browser versions.

You may also find it easier to complete from a device with a larger screen, such as a desktop computer or laptop, rather than a mobile device. If you still have issues or require a different format for accessibility reasons please contact [PEBFundEnquiries@visitscotland.com](mailto:PEBFundEnquiries@visitscotland.com).

## State Aid

### Confirmation of State aid received under the COVID-19 Temporary Framework for UK Authorities measure and Undertaking in Difficulty Status

Following the outbreak of the Coronavirus, the European Commission has approved schemes to aid businesses affected by the Coronavirus outbreak on the basis of their Temporary Framework, including the COVID-19 Temporary Framework measure for the UK. The maximum level of aid that a company may receive is €800 000 (€120,000 per undertaking active in the fishery and aquaculture sector or €100,000 per undertaking active in the primary production of agricultural products). This is across all UK measures under the terms of the European Commission's Temporary Framework.

### Provide details of any other funding your business has received

In your application you are required to declare any aid already approved under the Temporary Framework.

Any aid provided under this measure will be relevant if you wish to apply, or have applied, for any other aid based on the European Commission's Temporary Framework. You will need to declare this amount to any other aid awarding body who requests information from you on how much aid you have received. You must retain the award letter for **four** years after the conclusion of the UK's transition from the EU and produce it on any request from the UK public authorities or the European Commission.

Aid may be granted to undertakings (SME/Large undertakings) that were not in difficulty (within the meaning of Article 2(18) of the General Block Exemption Regulation on 31 December 2019), but that faced difficulties or entered in difficulty thereafter as a result of the COVID-19 outbreak. This aid is in addition to any aid that you may have received under the De Minimis regulation allowing aid of up to €200,000 (€30,000 per undertaking active in the fishery and aquaculture sector or €20,000 per undertaking active in the primary production of agricultural products) to any one organisation over a three fiscal year period (i.e. your current fiscal year and previous two fiscal years), and any other approved aid you have received under other State aid rules, such as aid granted under the General Block Exemption Regulation. If you are a micro or small undertaking (i.e. an undertaking with less than 50 employees and less than €10m of annual turnover and/or balance sheet) you may be granted aid even if you would fall under the category of undertaking in financial difficulty on 31 December 2019, provided that you are not subject to collective insolvency procedure under national law and that you have not received rescue aid (which has not been repaid) or restructuring aid (and are still subject to a restructuring plan).

### Undertakings in Difficulty Assessment

In your application you will be asked to declare that on 31 December 2019, you did not meet any of the criteria to be considered an undertaking in difficulty.

'undertaking in difficulty' is defined in [article 2\(18\) of the General Block Exemption Regulations](#) as an undertaking in respect of which at least one of the following circumstances occurs:

(a) In the case of a limited liability company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, 'limited liability company' refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU (1) and 'share capital' includes, where relevant, any share premium.

or

b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, 'a company where at least some members have unlimited liability for the debt of the company' refers in particular to the types of company mentioned in Annex II of Directive 2013/34/EU.

and

(c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.

and

(d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee or has received restructuring aid and is still subject to a restructuring plan.

## Appendix A – Event Types

This table lists various types of events and aims to indicate to applicants which events align with the objectives of this Fund. Please note that businesses which do not predominantly operate and deliver events which are strongly aligned to the purpose of this fund will be unlikely to progress past the EOI stage of the process.

<b>Strong Alignment to Pivotal Event Businesses Fund</b>	<b>Limited Alignment to Pivotal Event Businesses Fund</b>
Festivals across a range of genres (film, book, poetry, literature, dance, food & drink, comedy, science, visual arts, design, nature & wildlife, fashion, wellness, maritime)	Private, social or family events such as birthdays, weddings, dinners, functions or parties
Music festivals, one off gigs in large event venues, one off gigs in outdoor spaces with temporary build structures	Regular or recurring programming in year-round venues including theatres, cinemas, arts centres and galleries
Business Events - typically discretionary and peripatetic to include: company and association conferences and conventions, incentive trips and programmes, product launches and seminars	School, college or university group events including concerts, productions, proms and balls, school sports days and graduation ceremonies
Lighting trails and illuminations	Group activities and guided tours
Comedy gigs in large event venues	Showgrounds and funfairs
Agricultural events and shows	Participative events with a principal focus on fundraising, generally these are run by the charitable organisations
Highland Games and Piping events	Local community gala days and fetes, coffee mornings, and jumble sales in community centres
Mass participation sporting events	Regularly scheduled sports fixtures and club championships e.g. football, hockey, rugby, golf, bowls or tennis club
National and International Sports Championships / Competitions	Live music, DJ sets and comedy gigs in clubs, pubs and smaller venues
Events that celebrate Scotland's National Days: St Andrews Day, Hogmanay and Burns Night	Local markets including car boot sales and regularly scheduled or pop up craft fairs, food and drink/farmers markets
	Demonstrations / Marches / Parades of a political nature. Civic Events and Ceremonial Functions
	Events which provide seasonal celebrations for communities, and seasonal promotions and activation in shopping centres
	Non-discretionary business meetings; individual business travellers; business networking groups