

Scotland Coach Operators - COVID-19 Business Support and Continuity Fund - Strand Two

Guidance for applicants

Background

On 21 December 2020, the Scottish Government announced a funding package to help businesses in the tourism and hospitality sector to survive the impacts of the coronavirus (COVID-19) pandemic. This resulted in the creation of this **Scotland Coach Operators – COVID-19 Business Support and Continuity Fund – Strand Two** (the ‘Fund’) to specifically support Scottish based businesses in the coach tourism and coach private hire sector that are facing hardship due to the impact of the COVID-19 pandemic, to help keep them in business while restrictions on travel are still in place, and to support them to prepare for recommencing operations when restrictions are lifted. It is designed to provide targeted support to those businesses who are operating the newest and most environmentally friendly vehicle fleet.

Strand One of the Fund was open for applications between 16th February – 23rd February 2021 to support coach operators in Scotland whose turnover in 19/20 from coach tourism/private coach hire was more than 55% of their total turnover. Following feedback from industry and recognising a funding gap for coach operators with a lower percentage of turnover from coach tourism/private coach hire, Strand Two of the Fund has now been created to support coach operators in Scotland whose turnover in 19/20 from coach tourism/private coach hire was more than 40% of their total turnover.

If you applied for and were successful from Strand One of this Fund, you will **not** be eligible for additional funding under Strand Two. Businesses who applied for Strand One but were rejected because they did not meet the 55% turnover criteria can apply for Strand Two and **will** need to submit a new application to be considered for Strand Two. Businesses can only be successful and receive a grant award from one of the funds announced by the Scottish Government on or since 15 December 2020 to help the tourism and events industry to survive the impacts of COVID-19, regardless of the body who is administering the fund. The tourism announcement was made by the Scottish Government on 21 December 2020. This does not mean that businesses cannot apply to multiple funds if they meet the relevant eligibility requirements. However, you must withdraw your application from all other funds and reject any other grant offers if you have accepted a grant award. After 31 March 2021, some applications may be chosen at random to be audited. Any applicants who have been found to have provided incorrect information or received multiple awards will be expected to return their awarded grant.

The Fund

What is the purpose of this Fund?

The COVID-19 lockdown, travel guidance, and current social distancing measures continue to place **coach operators** under considerable financial strain. Around 80% of the coach industry's income (c. £3.3bn) is derived from tourism related activities. Coach operators, who are largely family owned and can have a significant impact in a rural area, estimate that fleet costs can be around £200 per vehicle per day. This Fund is intended to help keep them in business while travel restrictions are still in place, and to support them to prepare for recommencing operations when restrictions are lifted.

What is the budget for Strand Two of this Fund?

The total budget for Strand Two of the Fund is £1.6 million. The Fund is being delivered on behalf of the Scottish Government by VisitScotland, with development input from the Confederation of Passenger Transport. VisitScotland is the awarding body for this Fund.

What is the process and timeline for Strand Two of the Fund?

1. Businesses which meet all the eligibility criteria will be able to submit an application form from 12 noon on 23rd June to 5pm on 30th June 2021 via the form available on <https://www.visitscotland.org/supporting-your-business/funding/coach-operator-fund/application-form-strand-two>. Any applications received after this period will not be considered. Applications will not be assessed on a first come, first served basis.
2. Following the assessment of all the applications, a panel consisting of VisitScotland staff will make the final decisions on the funding to be awarded.
3. If your application is rejected, you can appeal this decision. Any appeals should be submitted in writing to coachoperatorappealsstrandtwo@visitscotland.com together with a justification for the appeal. Appeals will be reviewed by VisitScotland staff not involved in the original assessment and a representative from the Confederation of Passenger Transport.

Eligibility Criteria

As part of the application form, businesses will be asked to provide information which confirms that they meet all of the following eligibility criteria:

1. Confirm that the business operates in Scotland as a coach tourism business or private coach hire business;
2. Confirm that you have a place of business in Scotland (registered business address or a business premises);
3. Confirm that the business has been in operation since at least 1 December 2019;

4. Confirm that your turnover in relation to your coach tourism/private coach hire business for coaches based in Scotland, as set out in your annual accounts filed in the 19/20 tax year (which represent pre-COVID-19 activity), is more than 40% of your Scottish based fleet turnover (if you are a newer business and have not yet filed a set of annual accounts, please use your management accounts to 31 March 2020 to answer this question);
5. Confirm that all the coaches you are applying for under this Fund meet the definition of 'Coach' as defined below and are owned by the applicant prior to 31 March 2020;
6. For each eligible 'Coach', (a) confirm that it is of either the Euro V grade or Euro VI grade and (b) confirm that it is either category M2 or category M3. (A V5C form and either a Certificate of Conformity, Individual Approval Certificate, Individual Vehicle Approval or Statement of Compliance from Vehicle Manufacturer showing the chassis number and euro engine standard will be required for each Coach being applied for);
7. Confirm that you have a either a Standard National or Standard International Public Service Vehicle Operator's License;
8. The business must not have been in financial difficulty as at 31 December 2019 if you are a SME or Large organisation (please see the Subsidy Control section in the Guidance document for more information).

Definition of a 'Coach'

For the purposes of this Fund, a 'Coach' is defined as:

- M2 (8 seats and over); or
- M3 (24 seats and over).

Ineligible Applicants

This Fund will not support:

- Businesses who receive more than 60% of their annual turnover from non-coach tourism/private hire sources such as (but not limited to) bus service/local authority/MOD/rail replacement/home to school contracts.
- Holders of Restricted and Special Restricted Licenses.
- Vehicles which do not conform to the definition of a Coach for the purposes of the Fund but meet the Euro category V/VI requirements.
- Businesses who were successful under Strand One of this Fund.
- We reserve the right to add further ineligible business types during the assessment process for the purposes of clarity.

Additional Information/Supporting Documentation

In addition to the eligibility criteria, businesses will be asked to provide the following additional information supporting documentation in their application:

- Name of applicant organisation
- Trading name if different
- Address (inc. postcode)
- Local authority
- Number of Coaches (including grade, number of seats and category)
- One of the following:
 - National VAT Number
 - Company Registration Number
 - Charity Registration Number
 - HMRC Unique Tax Reference Number
- Size of organisation
- NACE Code
- Confirmation of any COVID-19 related aid/support already approved/received in 2020 under the Temporary Framework, including the amount of each
- Confirmation of whether you intend to apply for or have applied for or have received any of the other funding support announced by the Scottish Government since 15th December 2020
- Name of person completing application form
- Position within organisation
- Email address
- Mobile contact number
- Organisation website/web presence
- Confirmation that you meet the eligibility criteria set out earlier in this guidance document
- Name of bank
- Name on bank account
- Sort Code
- Account Number

Supporting Documentation

All documents must be supplied in a legible format, preferably scanned copies in portrait orientation.

- Standard National or Standard International Public Service Vehicle Operator's License
- All pages of the Public Service Vehicle Operator's License issued by the Traffic Commissioner. The following information should be clearly visible:
 - License number
 - Type of license (i.e. Standard National or Standard International)
 - 'Issued by' and 'issued to' information
 - Date of issue
 - Number of vehicles & discs
 - An authorising signature
 - Operating centres (if applicable)
- Certificate of Conformity, Individual Approval Certificate or Individual Vehicle Approval Certificate for each Coach listed in the application form.
- In the event that none of these documents are available, a statement of compliance from the vehicle manufacturer will be accepted instead. This can be supplied in the form of an official letter and should state clearly the VIN number, vehicle category (M2/M3) and Euro standard (V/VI) of the Coach in question. COIFs and MOT certificates will not be accepted.

- All pages of the V5C form (log book) for each Coach listed in the application form;
- Copy of the front page of your December 2020 bank statement. This must clearly show your account name, sort code, account number and bank name.
- Published annual accounts filed in the 2019/20 year (which represent pre-COVID-19 activity) which have been audited/verified by an accountant or copy of filed tax return for the 2019/20 year.
 - those businesses with a year end after 31 December 2019 can submit the previous year if this is their latest published accounts;
 - If you are a newer business and have not yet filed a set of annual accounts, you may provide your management accounts to 31 March 2020 (as verified by an accountant);
- Accompanying report outlining breakdown of turnover by:
 - tourism/private hire work • home to school contracts
 - local authority contracts
 - rail replacement work
 - local bus/scheduled service work
 - any other sources

This should be a legitimate source document such as a sales ledger, sales report or booking report.

How much can organisations expect to receive under Strand Two of this Fund?

The Scottish Government has allocated a set amount for this Fund and it is anticipated that demand will be high across the industry. In determining the grant support payable to each eligible applicant, regard will be given to the above criteria and the supporting information provided. In the interest of fairness, the final amount awarded to a successful applicant will be determined once all applications are received and vetted. We expect that a range of awards will be made under this Fund, depending on the number of Euro V and Euro VI grade Coaches declared, up to a maximum of £150,000 per company and will be limited to one application per company. Please note that any award amount indications set out in this document are for guidance only, are expressed as “up to” a certain amount and are dependent on the number of successful applications to this Fund. We reserve the right to award an amount significantly lower than the indications provided in this document.

The funding allocation applies to each qualifying Coach applied for. Each qualifying Coach will receive an award of up to the following:

Euro V, up to 24 seats	up to £2,250
Euro VI, up to 24 seats	up to £3,000
Euro V, more than 24 seats	up to £4,500
Euro VI, more than 24 seats	up to £6,000

We expect this Fund to be oversubscribed but, in the event that there are unallocated funds within the Fund budget once all applications have been received and assessed, this will be awarded pro rata across any companies whose grant award was capped at £150,000 and whose qualifying Coach received a smaller amount proportionately as a result of the cap, to bring their total award per qualifying Coach as close as possible to the amount awarded for all other qualifying Coaches in Strand Two. Any awards of more than £150,000 are subject to approval from the Scottish Government.

If the total budget of the Fund has still not been exhausted once the awards which have been subject to the cap have been reviewed, the remaining funds will be awarded on a pro rata basis across all successful applicants. Any unallocated funds will be used to bring the grant award per qualifying Coach as close as possible, but not above, the amount awarded for qualifying Coaches in Strand One of the Fund.

Accessibility, Terms & Conditions and Freedom of Information

If you're 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. Successful applicants will be required to provide a report within six months of the grant award being made to assess the value of the grant and the impact of the funding on their organisation. 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 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 visitscotland.org and in the UK subsidy control transparency database (as required) and will be made available to other Scottish public sector bodies.

If you require the forms to be made available to you in another format for accessibility reasons, please contact us by email at coachoperatorsstrandtwo@visitscotland.com.

Data protection

We will use the data provided by you in the application form and supporting documentation to assess your application for grant funding and contact you regarding your or application. Your data will be shared with the Scottish Government, relevant local authorities and/or other Scottish public sector bodies for verification and reporting purposes, and in case of appeals with industry representatives (who will form part of the appeals panel). 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 the 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 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.

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 the form 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 us by email at coachoperatorsstrandtwo@visitscotland.com.

Subsidy Control

Confirmation of subsidies received and Undertaking in Difficulty Status

This Fund forms part of the COVID-19 recovery programme announced by the Scottish Government at the end of March 2021. Any grant under this Fund will be made subject to the subsidy control rules. The subsidy is granted under Title XI, Article 3.2 of the TCA, to respond to a national or global economic emergency. The award will be made under similar terms to COVID-19 schemes in operation before the 1 January 2021 and additional information will be provided to successful applicants in the award letter and terms and conditions. You may need to declare any amount received under this Fund 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 from the date of the letter and produce it on any request from the UK public authorities or the European Commission.

A subsidy may be granted to undertakings (SME / Large undertakings) that were not in difficulty, but that faced difficulties or entered in difficulty thereafter as a result of the COVID-19 outbreak. The subsidy is in addition to any aid that you may have received under the De Minimis regulation allowing aid of up to €200,000 to any one organisation over a three fiscal year period (i.e. your current fiscal year and previous two fiscal years). If you are a micro or small undertaking 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 restricting plan).

- A micro or small organisation is an undertaking that has less than 50 employees and less than 10 million euros of annual turnover and/or balance sheet.
- A SME organisation is an undertaking that has 50 or more employees and 10 million euros or more of annual turnover and/or annual balance sheet.
- A large organisation is an undertaking that has 250 or more employees and 50 million euros or more of annual turnover and/or 43 million euro annual balance sheet.

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 for the purposes of this scheme 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 seven 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.

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 seven 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.

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.