Scotland Day Tour Operators - COVID-19 Business Support and Continuity Fund

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 the Scotland Day Tour Operators – COVID-19 Business Support and Continuity Fund (the “Fund”) to specifically support Scottish based businesses in the day and multi-day tour operator sector that are facing hardship. The Fund aims to help keep them in business while restrictions on opening and travel are still in place, and to support them to prepare for operations in 2021 when restrictions are lifted.

Businesses can only receive a grant award 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 industries to survive the impacts of COVID-19, regardless of the body who is administering the fund. This tourism announcement was made by the Scottish Government on 21 December 2020. Businesses can apply to multiple funds if they meet the relevant eligibility requirements, but must withdraw all other fund applications 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?

This Fund recognises the critical role that the day tour operator sector plays in the visitor economy and who offer a unique and personal tour experience, sharing their passion and knowledge for Scotland with their guests. Such operators are important to the visitor economy, as they can help visitors experience more than one area of Scotland thus allowing more businesses to benefit. The purpose of this Fund is to support the financial continuity of eligible businesses while restrictions on opening and travel are still in place, and to support them to prepare for accepting visitors later in 2021 when it is hoped restrictions will be lifted.

What is the budget for this Fund?

The total budget for the Fund is £3million. The Fund is being delivered on behalf of the Scottish Government by VisitScotland, with development input from the Scottish Independent Tour Operators Association. VisitScotland is the awarding body for this Fund.
Who is this Fund for?

This Fund is intended to support the day tour operators’ sector who are facing financial problems due to the impact of COVID-19.

For the purposes of this Fund:

a ‘Day Tour Operator’ is defined as:

* A business which offers a land based day tour experience or land based multi-day tour experience in Scotland which does not include accommodation but does include motorized transport.

a ‘day tour or multi-day tour’ is defined as:

* A single or multi-day land based tour experience in Scotland which does not fall under The Package Travel and Linked Travel Arrangements Regulations 2018.

What is the application process and timeline for the Fund?

1. Businesses which meet the eligibility criteria will be able to submit an application from midday on Thursday 4 March to 5pm on Thursday 11 March 2021 via the form available from visitscotland.org/supporting-your-business/funding/inbound-tour-operators-fund. Any applications received after this period will not be considered. Applications will be open for approximately seven working days. 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. Applications will also be reviewed by Chiene + Tait, an accountancy firm procured by VisitScotland, who will review and assess the financial evidence submitted with the application.

3. If your application is rejected, you can appeal this decision. Any appeals should be submitted in writing to inboundtouroperatorsappeals@visitscotland.com together with a justification for the appeal. Appeals will be reviewed by VisitScotland and representatives from the Scottish Independent Tour Operators Association.

Eligibility Criteria

As part of the application, 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 their business:

- Confirmation that at least 90% of your business operations relate to day tour or multi-day tours (as defined in the “Who is this Fund for?” section of the guidance document) in Scotland;

- Must meet the definition of a Day Tour Operator as defined in the ‘Who is this Fund for?’ section of the guidance document;

- Must have a permanent place of business in Scotland (registered business address or premises – please note the home offices of individual employees would not be considered valid Scotland registered business addresses and would not be eligible for this Fund unless it’s the address of a sole trader);
• Must have been established and operating as a Day Tour Operator for at least one full financial year prior to 31 December 2020;

• Confirm your business had a minimum annual turnover of £20,000 or more in relation to day tour or multi-day tours (as defined in the “Who is this Fund for?” section of the guidance document) in Scotland in the year 19/20 as verified in your annual accounts;

• Must have been negatively impacted by COVID-19 which has resulted in turnover decreasing by at least 50% in the comparative period following the submission of your pre-COVID-19 accounts.

• Confirm your business employs at least one FTE in Scotland; and

• 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 for more information.

The following business/organisation types are not eligible to apply to this Fund:

• Online Travel Agents
• Retail Travel Agents
• Third Party Resellers
• Water based excursion operators such as boat trips
• Air/Aerial based excursions such as sea planes or hot air balloons
• Registered taxi licence holders
• Registered private hire licence holders who have recently received the grant payment of £1,500 administered through their local authority announced by the Scottish Government on 18 January 2021
• Registered private hire licence holders who cannot provide evidence that at least 90% of their business operations relate to day tour or multi-day tours (as defined in the “Who is this Fund for?” section of the guidance document) in Scotland
• Chauffeur companies that cannot provide evidence that at least 90% of their business operations relate to day tour or multi-day tours (as defined in the “Who is this Fund for?” section of the guidance document) in Scotland
• Outbound Tour Operators (whose revenue consists of 50% or more product outside of Scotland)
• Professional Conference Organisers
• Event Planning Companies & Organisers
• Exhibition Companies
• Production Companies
• Marketing, PR & Communication Groups
• Individual service providers/suppliers to Day Tour Operators such as: freelance tour guides, visitor attractions, transport companies, venues, accommodations and restaurants

• 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.
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 in Scotland (inc. postcode)
- Local authority
- One of the following:
  - National VAT Number
  - Company Registration Number
  - HMRC Unique Tax Reference Number
  - Charity Registration Number
- Size of organisation
- NACE Code
- Confirmation of whether you are a private hire licence operator
- Confirm the percentage of your total turnover which relates to day tour or multi-day tours (as defined in the “Who is this Fund for?” section of the guidance document) in Scotland
- Confirmation of any COVID-19 related aid/support already approved/received in 2020 under the Temporary Framework. It should be clear in your award letter if the funding was awarded under the Temporary Framework.
- 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 15 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
- Address of bank
- Name on bank account
- Sort Code
- Account Number

Supporting Documentation

As part of the application, businesses will be asked to provide the following evidence:

- Published annual accounts for 2019/20 year which have been audited/verified by an accountant or copy of filed tax return for 2019/20 to verify the business’ turnover figure. Businesses with a year end after 31 December 2019 can submit the previous year if these are their latest set of accounts;
- Copy of current certificate of Motor Insurance showing use for the carriage of passengers for hire and reward (if you have cancelled or allowed your motor insurance policy to lapse because you have been unable to operate in the current circumstances, we will accept your most recent motor insurance policy) or other suitable evidence of business trading;
- Bank statement for December 2020 (redacted statements will be accepted provided bank name, sort code and account number are clearly shown).
How much can my business expect to receive under this Fund?

The Scottish Government has allocated a set amount for this Fund and it’s anticipated that demand will be high across the industry. In determining the amount of grant support payable to each eligible applicant, regard will be given to the eligibility 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 a range of award amounts to be awarded under this Fund, up to a maximum of up to £40,000 per business, depending on the level of turnover for that business (as set out below) and will be limited to one application per business. 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 lower than the indications provided in this document.

The grant award will be based on turnover from your day tour or multi-day tours (as defined in the “Who is this Fund for?” section of the guidance document) in Scotland as evidenced in the supporting documentation requested above. There are five grant levels and final awards will be dependent on the number of successful applications received:

<table>
<thead>
<tr>
<th>Turnover band</th>
<th>Maximum award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band 1 – From £20,000 to £50,000</td>
<td>Up to £6,500</td>
</tr>
<tr>
<td>Band 2 – From £50,001 to £80,000</td>
<td>Up to £10,000</td>
</tr>
<tr>
<td>Band 3 – From £80,001 to £120,000</td>
<td>Up to £16,000</td>
</tr>
<tr>
<td>Band 4 – From £120,001 to £200,000</td>
<td>Up to £25,000</td>
</tr>
<tr>
<td>Band 5 – From £200,001 and above</td>
<td>Up to £40,000</td>
</tr>
</tbody>
</table>

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 on a pro rata basis across all successful applicants.

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. 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 in the UK subsidy control transparency database 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 inboundtouroperators@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 application. Your data will be shared with the Scottish Government, relevant local authorities, other Scottish public sector bodies and/or enterprise agencies for verification and reporting purposes and with Chiene + Tait Chartered Accountants, an accountancy firm procured by VisitScotland, to complete the finance checks, and in case of appeals with industry representatives from the Scottish Independent Tour Operators Association (SITOA) (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 application form

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 the form, you will be unable to save it and return to it later. Supporting documentation must be submitted in pdf, word, excel, png or jpeg formats. The maximum file size for each document is 10MB.

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 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 inboundtouroperators@visitscotland.com.

Subsidy Control

Confirmation of subsidies received and Undertaking in Difficulty Status

Following the end of the transition period on 31 December 2020, a new Subsidy Control regime came into effect in the UK at 11pm on 31 December. The Temporary Framework under which COVID-19 related funding was issued in 2020 no longer applies. VisitScotland is currently awaiting guidance from the Scottish Government as to the basis under which the funding under this Fund will be awarded. It is intended that the award will be made under similar terms to COVID-19 schemes in operation before the 1 January 2021 and, if necessary, additional information will be provided to successful applicants in the award letter and terms and conditions.

In your application form you will be required to declare any aid already approved/received under the Temporary Framework in 2020.

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.