

## Sector & Destination Operational & Market Readiness Fund

### Guidance for applicants

#### Background

On 21<sup>st</sup> December 2020, the Scottish Government announced a range of support packages to help the tourism industry to survive the impacts of the coronavirus (COVID-19) pandemic. This resulted in the creation of the Sector & Destination Operational and Market Readiness fund to specifically support established Scottish Tourism Sector Groups and Destination organisations that are facing funding challenges, to support them in their core operational functions to ensure organisations are sustainable and in a position to actively promote Scotland as and when restrictions are lifted. This is a one-off fund that is entirely focused on operational and market readiness. This Fund will not support marketing campaigns or promotional activities. We anticipate that any future funding opportunities, out with COVID-19 support packages, from VisitScotland would be focused on marketing activities.

#### The Fund

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

The purpose of this Fund is to help established destination organisations and multi regional or pan-Scotland Tourism sector groups who represent the interests of a substantive number of tourism businesses and stakeholders within their destination and sector and whose role is critical to the ongoing success of the Tourism Industry in Scotland to prepare for a post-COVID-19 environment. We expect applicants to this fund to undertake a number of key areas of activity on behalf of their destination or sector:

1. represent the interests of their members/constituents;
2. undertake networking activities and provide support, guidance and advice to businesses; and
3. have responsibility for promoting the destination/sector in priority visitor markets for Scotland.

The Fund will provide financial support to ensure that core activities can take place to make sure the organisation and therefore the businesses it represents are market ready [when COVID-19 restrictions are lifted]. The Fund has been established to ensure that financial support goes to those organisations that do not have access to other funding for these core activities. For the purposes of this Fund core activities and costs could include operational activities such as consumer channel development, back office system related costs, membership system improvements or staffing costs relating to activities identified within this application. Further detail is set out in the “What Activities does this Fund support?” section below.

This Fund **cannot** be used to support promotional marketing activities or campaigns.

### What is the Value of this fund?

The total value of the fund is £1.2million. The Fund is being delivered on behalf of the Scottish Government by VisitScotland. VisitScotland is the awarding body for this Fund.

### How much can organisations apply for?

With a limited overall budget this Fund will be used to support applications that are able to demonstrate a genuine need for funds to improve operational effectiveness and efficiency. Applicants can apply for awards of between £10,000 - £50,000. Applicants will be required to provide an indicative award budget plan as part of their application. Please note that this Fund may be oversubscribed and therefore we do not expect to be able to support all applications. We also reserve the right to award an amount lower than requested. No match funding is required as part of the application.

### Who is this Fund for?

This Fund is intended to support established destination organisations and multi regional or pan-Scotland sector groups. Applications will be considered from organisations who currently deliver membership or business engagement activities and operate consumer or B2B channels, who, as part of the application process, can clearly demonstrate significant improvements and efficiencies that can be made to these to ensure market readiness post-COVID-19. Applications from Tourism Business Improvement Districts (TBIDs) will also be considered.

This Fund is **not** open to small, localised cultural, craft, food and drink groups, or Business Improvement Districts (BIDs).

Applicants will be required to evidence the following as part of the application to illustrate current activities and demonstrate need and ability to deliver planned activities:

- For sector groups - significant geographic spread of membership or coverage with existing activities, this should be multiple regions and preferably pan-Scotland (pre-COVID-19)
- Destination Organisations – membership or activities that engage with a mix of tourism businesses demonstrating regional spread (pre-COVID-19)
- Confirmation of existing consumer/B2B facing channels including reach pre-COVID-19 e.g. Website, Social Channels & Consumer databases.
- Where applicable pre-COVID-19, current and projected income from membership fees or evidence of loss of Local Authority Funding could be provided.

Applicants must have a place of business in Scotland and be delivering and/or operating in Scotland.

### Eligibility Criteria

- Must have a place of business in Scotland and be delivering and/or operating in Scotland;
- Established Sector and Destination organisations who represent the interests of a substantive number of tourism businesses and stakeholders within their destination and sector and whose role is critical to the ongoing success of the Tourism Industry in Scotland.
- Applicants will be required to declare other public sector funding sources. Organisations who have been in receipt of the funding from the Enterprise Agencies from March 2020 to

March 2021 or the DigitalBoost Development Grant will be required to provide further information on the date of the award, the amount and what this funding was used for.

- Confirmation that the business was NOT in financial difficulty before December 2019 (if you are a SME or Large organisation) – please see the Subsidy Control section in the guidance document for more information.

### Application Process

1. Businesses which meet the eligibility criteria will be able to complete an application form available to download from [www.visitscotland.org/supporting-your-business/funding/operational-market-readiness-fund](http://www.visitscotland.org/supporting-your-business/funding/operational-market-readiness-fund) and send it along with appropriate supporting documentation to [Sector&DestinationFund@visitscotland.com](mailto:Sector&DestinationFund@visitscotland.com).
2. Applications must be emailed to [Sector&DestinationFund@visitscotland.com](mailto:Sector&DestinationFund@visitscotland.com) between Midday on Monday 18<sup>th</sup> January and 5.00pm on Tuesday 26<sup>th</sup> January to be considered. Any applications received after this period will not be considered. Applications **WILL NOT** be assessed on a first come first serve basis.
3. Once you have submitted your application, you will receive an automatic reply from VisitScotland advising that your application has been received. If you do not receive an automatic response advising that your application has been received, please contact [Sector&DestinationFundEnquiries@visitscotland.com](mailto:Sector&DestinationFundEnquiries@visitscotland.com)
4. Following the assessment of all the applications, a panel consisting of Senior VisitScotland staff and a representative from the Scottish Tourism Alliance will make the final decisions on the success of all applications along with level of award.
5. If your application is rejected, you can appeal this decision. Any appeals should be submitted in writing to [Sector&DestinationFundAppeals@visitscotland.com](mailto:Sector&DestinationFundAppeals@visitscotland.com) together with a justification for the appeal.

### What Activities does this Fund support?

This Fund can support core business costs that will ensure operational and market readiness post-COVID-19, including the below, please note this is not an exhaustive list, if you are unsure if an activity is eligible please contact [Sector&DestinationFundEnquiries@visitscotland.com](mailto:Sector&DestinationFundEnquiries@visitscotland.com) prior to application:

#### Operational Activities:

- Core Resource – this can include new or existing staffing costs relating to planned activities identified in application. Please note that this fund is a one-off and will not be able to support any ongoing staffing costs beyond the scope of those identified within the application.
- Core back office systems and their associated costs including procurement of a new membership system or improvements to an existing one and software licenses.

- Business engagement activities focused on product development, this could be supporting new product development or moderation of existing product ensuring ready to take to market.

### **Market Readiness:**

- Consumer Channel development (website, social media channels & email platforms)
- Website Development could include: SEO, accessibility, mobile friendly development, Privacy, UX – Cookie Compliance, preference management, CMS and functionality updates.
- Social Media could include: Social Media Strategy Development, Channel Audit or Social Media Management, Monitoring & Listening Tools.
- Email platforms – procurement of email platform, investment in GDPR compliance & data cleansing.

### **What Activities does this Fund not support?**

- Promotional Marketing Activities e.g. Media Advertising, Paid Social campaigns, press adverts and advertorial, PR activities, Influencer & Blogger Campaigns.
- Staff Training, except for training that is required for any new platforms procured as part of the application.
- Core Business Overheads (except for identified staffing costs)

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

As part of the application form, you will also be asked to detail the following:

- The level of the applicant organisation's current overall impact on the Tourism industry in Scotland and the demonstration of need for funding to sustain this. This could be evidenced by the following: membership levels and activities (pre-COVID-19 and post-COVID-19) as well as reach from consumer and B2B channels.
- Identify activities that will demonstrate a clear and measurable contribution towards ensuring that organisations are operationally ready to re-start their operations and re-enter the market post-COVID-19.
- Complete a high level indicative budget document that will be provided as part of the application for planned activities. (Please note that there will be scope for movement within these budget plans as the application process timeframe may not allow for specific costings to be gathered).
- Applicants will be required to commit to providing follow up evidence & reporting within 6 months of award to assess the value of the grant to successful applicants and the impact of this funding on their organisation.

### **Supporting Evidence Required**

- Copy of a Bank statement – Applicants will be requested to provide a copy of a redacted bank statement to confirm Account Name, Account Number and Sort-Code.

Demand is expected to be high, and given the available level of support, this will not allow every application to be fully supported to the amount requested, nor replace lost revenue. Please note

that not all businesses who apply may be successful in receiving a grant award, and those who are successful may not receive the full amount requested.

### **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 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 UK subsidy control transparency database.

If you require the forms to be made available to you in another format for accessibility reasons, please contact [Sector&DestinationFundEnquiries@visitscotland.com](mailto:Sector&DestinationFundEnquiries@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. Information provided by applicants as part of the process and/or the supporting documentation may be verified against other information sources held by relevant local authorities and/or other Scottish public sector bodies, industry representatives from the Scottish Tourism Alliance (who will form part of the decision and appeal panels), relevant local authorities, the Scottish Government, 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](#).

### **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 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 undertaking (i.e. an undertaking with 50 or more employees and 10 million euros or more of annual turnover and/or annual balance sheet) / Large undertakings (i.e. 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) 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 (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 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 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.

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.

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.