Sustainability Certification Scheme Fund for Tourism Recovery

Background

Covid-19 has forced a monumental shift in the tourism industry and as we map our recovery, we must recognise that we are now operating in a new tourism landscape. In the post-Covid recovery period it will be important for businesses to demonstrate their sustainability credentials.

The Destination NetZero project (‘Project’) is one of the Scottish Government’s funded Covid tourism recovery projects that aligns with the Scotland Outlook 2030 strategy and VisitScotland’s responsible tourism strategy and Tourism Declares commitment. The Project has a total budget of £3.95m and VisitScotland is working in tandem with other enterprise agencies to support Scottish Tourism’s transition to a low carbon future. The Project will be split into various elements. A key aim of the Project is to support the industry’s recovery through engaging, advising and supporting businesses to take action to reduce their carbon footprint, develop their own net zero action plans, as well as encouraging increased uptake of existing support to businesses.

The Fund

What is the purpose of this Fund?

The purpose of the Sustainability Certification Scheme Fund for Tourism Recovery (the ‘Fund’) is to help support businesses to recover from the impacts of Covid in a sustainable manner. This Fund will allow Sustainability Certification Scheme providers to support businesses with free or discounted membership. This will enable businesses to demonstrate their commitment to responsible tourism practices and meet the needs of visitors who are becoming increasingly aware of the importance of sustainability and building that into their travel plans.

The objective of this Fund, through the provision of funding to Sustainability Certification Scheme Providers (as defined in the “Who is this Fund for?” section), is to encourage tourism businesses to participate in sustainability certification schemes which should in turn allow those businesses to think about developing their net zero action plans and focus on carbon reduction activity. The funding can only be used to support sustainability or ‘green’ certification schemes that are able to support Scottish tourism businesses and cannot be used for other business sectors or other types of certification schemes.

This Fund is not for individual tourism businesses seeking support to join a green certification scheme.
What is the budget for this Fund?

The total budget for this Fund is £75,000. The Fund is being delivered on behalf of the Scottish Government by VisitScotland. Feedback on this guidance document has been sought from partners who form part of the group delivering the Project. VisitScotland is the awarding body for this Fund.

Who is this Fund for?

This Fund is open to any Sustainability Certification Scheme Provider who can demonstrate that their scheme(s) is suitable for a Scottish-based tourism business to join.

For the purposes of this Fund, a “Sustainability Certification Scheme Provider” is defined as:

“a provider of a sustainability certification scheme which assesses a business’s sustainability with a particular focus on reducing its carbon footprint and includes assessment of the following key areas as a minimum:

- Monitoring and measuring;
- Energy;
- Waste (esp. food waste); and
- Transport.

Providers may also assess water and biodiversity in addition to the areas listed above.”

Assessments of businesses by the Sustainability Certification Scheme Provider can take place either in person or virtually.

Sustainability Certification Scheme Provider who allow businesses to gain a certification solely through self-assessment/self-certification do not meet the definition of a Sustainability Certification Scheme Provider.

The Sustainability Certification Scheme Provider must either offer certification for a particular business type (e.g. self-catering, camping sites, hospitality) within the tourism sector (the “Sector”) or have an offering that is suitable for a broader range of tourism business types.

Applications are being sought only from Sustainability Certification Scheme Providers which charge a fee for membership and which cover tourism businesses across Scotland.

Examples of potential certification schemes offered by Sustainability Certification Scheme Providers:

- Scheme for visitor attraction businesses
- Scheme for hospitality businesses
- Scheme for accommodation businesses (generally)
- Scheme specifically for hotels, self-catering, hostels, camping or small serviced accommodation

This Fund is not open to individual tourism businesses seeking support to join a green certification scheme.
What is the process and timeline for the Fund?

1. The guidance for the Fund will be published on **Tuesday 1 February 2022**.

2. Businesses which meet all the eligibility conditions and criteria set out in this Guidance will be able to complete an application form available to download from [https://www.visitscotland.org/supporting-your-business/funding/sustainability-certification-scheme](https://www.visitscotland.org/supporting-your-business/funding/sustainability-certification-scheme) from **12 noon on Thursday 10 February 2022** and send it along with the appropriate supporting documentation to netzerofunds@visitscotland.com. The application process will close at **12 noon on Thursday 24 February 2022**.

3. Applications must be emailed to netzerofunds@visitscotland.com by **12 noon on Thursday 24 February 2022** to be considered for funding. Any applications received after this identified period will not be considered. Applications WILL NOT be assessed on a first come first served basis.

4. 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 netzeroenquiries@visitscotland.com.

5. Following the assessment of all applications, a panel consisting of VisitScotland staff will make the final decisions on the funding (if any) to be awarded to each applicant, including assessment of the financial evidence submitted with the application.

6. If your application is rejected, you can appeal this decision. Any appeals should be submitted in writing to netzerofunds@visitscotland.com together with a justification for the appeal. Appeals will be reviewed by VisitScotland and representatives from Zero Waste Scotland and Energy Saving Trust. The Appeals Panel decision on any appeals will be final.

7. Successful Sustainability Certification Scheme Providers will be expected to provide reports to VisitScotland in relation to the funding received and the businesses supported in accordance with the Grant Instalments and reporting section of this Guidance.

How will the Fund operate?

Applications for funding are sought from Sustainability Certification Scheme Providers. Funding will allow those Sustainability Certification Scheme Providers to offer a discounted membership to tourism businesses for one year of up to a maximum £500 per business, as well as providing a programme of advice and support, which focuses on increasing participation in sustainability certification schemes. It is accepted that the membership fee per business may be less than the maximum amount set out above, in this case the amount per business must equal the amount of the relevant membership fee.

Successful Sustainability Certification Scheme Providers, under the Fund, who receive funding, must use that funding to increase participation in its scheme(s), by targeting businesses who are not currently members of their or other scheme(s).

Sustainability Certification Scheme Providers must use the grant award to support tourism businesses located in Scotland with free or discounted membership for one year up to a maximum of £500 per business to their sustainability certification scheme. The scheme must involve an assessment undertaken by the Sustainability Certification Scheme Provider as part of the certification process.
Successful Sustainability Certification Scheme Providers will be expected to provide a report to VisitScotland setting out which businesses have been supported through their scheme as a result of the funding within twelve months of the grant award.

Applicants to this Fund will be asked to submit documentation relating to the criteria for their schemes, the advice and support programme accompanying their schemes, and an outline of any additional information requested from businesses.

The funding can only be used to support sustainability or ‘green’ certification schemes that support Scottish tourism businesses and cannot be used to support ineligible businesses.

The Sustainability Certification Scheme Provider’s scheme must assess the business’s sustainability with a particular focus on reducing its carbon footprint and include the following key areas as a minimum:

- Monitoring and measuring
- Energy
- Waste (esp. food waste)
- Transport.

It is recognised that some schemes may also assess water and biodiversity.

Only micro, small and SME businesses within the Sector will be eligible for support from the scheme run by the Sustainability Certification Scheme Providers.

Businesses who meet all the criteria for the Sustainability Certification Scheme Provider’s scheme must receive a badge/logo which the business can use for consumer promotion, within the parameters set out by the scheme.

Sustainability Certification Scheme Providers must outline in their application, how much funding they are applying for and how many new businesses they would anticipate being able to actively support if their application is successful (noting the maximum amount of support per business is £500).

Sustainability Certification Scheme Provider must regularly train their staff and review, update and validate their criteria and assessment process with sustainability stakeholders using appropriate research for evidence.

Successful Sustainability Certification Scheme Providers must ensure that ineligible businesses (including but not limited to those set out below) are not awarded free or discounted memberships (up to the value of £500).

- Non-tourism businesses
- Non-micro businesses, non-small business and non-SME businesses
- Lapsed members of a Sustainability Certification Scheme Providers’ scheme who cancelled their membership on or after 1 November 2021.
- Supply chain businesses for events and tourism sectors (e.g. florists, caterers, photographers, chauffeur, taxi services etc).
- An individual event or multiple set of connected events.
- Venues that are not open for booking by members of the public (i.e. an exclusive member-only organisation venue).
- Transport providers without a tourism product i.e. coach hire, car hire, taxi services, boat hire, ferry operators
- Large educational establishments such as schools, colleges and universities.
• Non-tourism accommodation (non-tourism hostels, workers accommodation and long term lets).
• Local authority owned or managed businesses including Historic Environment Scotland properties.

(Please note this list is not exhaustive, and we reserve the right to notify Sustainability Certification Scheme Providers of other business who cannot be supported through the Sustainability Certification Scheme Fund).

**Eligibility Criteria**

As part of the application, Sustainability Certification Scheme Providers will be asked to confirm that they meet all of the following eligibility criteria:

- Confirm that you are a Sustainability Certification Scheme Provider (as defined in this Guidance document).
- Confirm that your Sustainability Certification Scheme is open to applications from businesses based in Scotland.
- Confirm that as part of your Sustainability Certification Scheme, you undertake assessments of businesses either in person or virtually and that self-assessment is not the sole means of a business achieving certification under your Sustainability Certification Scheme.
- Confirm that your Sustainability Certification Scheme is already established.
- Confirm that you have capacity to administer the grant award to tourism businesses applying to your Sustainability Certification Scheme.
- Confirm that you intend to continue to operate your Sustainability Certification Scheme in 2022/23.
- Confirm that you charge a fee in order to be a member of your Sustainability Certification Scheme(s).
- Confirm that you had a minimum income from membership fees of £5,000 or more in the year 19/20 (as verified in your annual accounts).
- Confirm that you have in place a credible review and validation process for the certification scheme and a training programme for staff implementing the scheme.
- Your business must not have been in financial difficulty as of 31 December 2019 if you are an SME organisation – please see the Subsidy Control section in this Guidance document for more information.

**Ineligible Applications**

The following restrictions apply to this Fund:

- This Fund is not open to Sustainability Certification Scheme Providers that are fee-paid only membership schemes. The Sustainability Certification Scheme Providers must assess sustainability credentials as part of the application and award process. This assessment must be undertaken by the Sustainability Certification Scheme Provider and cannot be self-assessment only by the business.
- This Fund is not for new sustainability schemes that currently have no participation in the Scottish tourism industry.
• This Fund is not open to Sustainability Certification Scheme Providers who do not have a client/business base in Scotland.

• This Fund is not a marketing fund for new or existing sustainability schemes. The Sustainability Certification Scheme Provider must use the funding received to actively support individual businesses by offering a discounted or free membership and a programme of advice and support.

• This Fund is not for individual tourism businesses seeking support to join a green certification scheme. Tourism businesses should contact their preferred Sustainability Certification Scheme Provider to understand what funding support may be available to their business.

(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

In addition to providing information which confirms that they meet all of 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 of business inc. postcode
• Registered business address, if different
• At least one of the following:
  ∙ National VAT number
  ∙ Company registration number
  ∙ Charity registration number
  ∙ HMRC unique tax reference number
  ∙ Size of organisation
• Name of person completing application
• Position within organisation
• Email address
• Telephone 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
• Overview of the following:
  ∙ The certification schemes offered by your business
  ∙ The assessment process you use
  ∙ How your schemes are reviewed, updated and validated
  ∙ Membership numbers from 2016-2021 across business types
  ∙ What, if any, new business types would you look to target
  ∙ Typical membership costs
• The amount of funding being applied for and the number of businesses you anticipate supporting with that funding
• The amount of aid you that your business has received over the last three-year period (i.e. current year and previous two years) under:
  ∙ the De Minimis regulation allowing aid of up to €200,000 under EU law; and
  ∙ the de minimis equivalent under the EU-UK Trade and Cooperation Agreement allowing aid of up to SDR 325,000.

VisitScotland may ask to see copies of any funding letters/agreements which outline “de minimis” aid awarded to your business over the last three fiscal years in order to convert the amount using the SDR conversion rate to ensure your business is within the SDR 325,000 ceiling.
Supporting Documentation

- **Copy of a bank statement.** Applicants will be requested to provide a copy of a redacted bank statement (from sometime within the last three months) to confirm account name, account number, sort-code, and bank address.

- **Published accounts for the year 2019/2020.** For organisations unable to provide accounts for the 2019/2020 financial year please submit bank statement dated from 01 April 2021 accompanied by a cashflow document that demonstrates operational viability for the next 12 months. We may request this cashflow to be verified by an accountant or request additional financial information upon receipt of application to allow financial checks to be carried out.

- **Copies of assessment/certification documentation.** Having a robust certification process that looks at key aspects of sustainability is an important consideration when applying for this funding. Please provide any relevant documentation that shows the key parts of your certification process and the criteria a business will be assessed against.

- **Valid annual insurance document** to cover third party liability and/or employee liability insurance for the year ending in 2021/22 tax year.

- **Marketing plans.** How you promote your schemes to the tourism industry is an important consideration when applying for this funding. Please provide an overview on how you currently market your certification schemes or how you plan to do so, if successful with this application for funding. Please also include an overview of any consumer/visitor marketing activity you undertake.

VisitScotland may also request further financial information from you to assist in its assessment of your application and VisitScotland may also conduct financial and other relevant checks against publicly available information/resources.

**How much can a Sustainability Certification Scheme Provider expect to receive under 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 eligibility for grant support regard will be given to the above criteria and the supporting information provided.

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 amount requested.

Requests for funding of between £5,000 and up to £50,000 will be considered. The request must be supported by appropriate supporting evidence to demonstrate the Sustainability Certification Scheme Provider’s ability to deliver their scheme and administer the grant funding (amount to be determined) by 28 February 2023. The amount of the grant award will be dependent on the Sustainability Certification Scheme Provider’s breadth of offering and VisitScotland will take this, and the information submitted as part of your application form, into account in determining the grant award amount.

If any unallocated funds remain within the Fund budget once all applications have been received and assessed, the Scottish Government will determine (at its sole discretion) how any such unallocated funds will be applied. In this circumstance, the process will be transparent, equitable and fair.
The Grant Award can only be used in line with terms listed in the “How will the Fund operate?” section of this Guidance.

**Grant Instalments and Reporting**

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. The award will be paid in two instalments. The first instalment of 80% of the grant will be paid shortly after the return of a signed grant award letter.

**Successful applicants will be required to provide the following reports:**

i). a monthly report detailing the businesses who will benefit from a free/discounted membership for a year up to £500 for VisitScotland’s approval (to be provided within 5 working days); and

ii). a closure report within 12 months of the grant award being made to evidence (a) the provision of the discounted membership rate to eligible businesses and (b) the programme of advice and support, assess the value of the grant and the impact of the funding on tourism businesses applying for certification. In addition, the report should detail which businesses have been supported.

The second instalment of 20% of the grant award will be paid on (and subject to) VisitScotland’s receipt and satisfactory review of the closure report. Failure to submit a closure report to VisitScotland will prevent the second instalment payment being paid, and VisitScotland also reserves the right (at its sole discretion) to recover all or part of the first instalment of the grant award.

If the closure report does not provide sufficient evidence that the membership discounts applied by the Sustainability Certification Scheme Provider met the full value of the grant awarded, VisitScotland reserves the right (at its sole discretion) to (i) refuse to pay all or part of the second instalment of the grant and / or (ii) recover all or part of the first instalment of the grant paid.

If future COVID related restrictions result in reduced capacity or ability to operate, VisitScotland will review the Sustainability Certification Scheme Fund for Tourism Recovery timing and funding with the Scottish Government and will communicate any resulting changes to the Fund to successful applicants.

**Terms & Conditions and Freedom of Information**

If you are successfully awarded grant funding under the Fund, you must comply with the terms of the grant award letter issued to you by VisitScotland.

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 or you have failed to use the grant award in accordance with the permitted use detailed in the grant award letter, 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.

Data protection

We will use the data provided by you in the application form and supporting documentation to assess your application for grant funding, to contact you regarding your application and for grant management purposes (for example, managing the Fund beyond the grant award stage).

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. In the case of appeals, your data will be shared with industry representatives from Zero Waste Scotland and Energy Saving Trust (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.

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 grant award under this Fund is awarded as an exempted subsidy under Article 364(4) of the EU-UK Trade and Cooperation Agreement. There is a ceiling of 325,000 Special Drawing Rights for subsidies provided to any one economic actor under this Article over a 3-year period. Any Article 364(4) subsidies (or similar aid, including “de minimis” aid granted prior to 31 December 2020 under Commission Regulation (EU) No 1407/2013) awarded to the successful applicant will be relevant if the successful applicant wishes to apply, or has applied, for any Article 364(4) subsidies.

Successful applicants must retain their grant award letter and terms and conditions for 3 years from the date of the grant award letter and produce it on any request by the UK public authorities. (The successful applicant may need to keep the award letter for longer than three years for other purposes). Information will also be provided to successful applicants in the award letter and terms and conditions.

You will 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. The amount received under this Fund will be relevant when determining whether your business has received aid which is within the ceiling of 325,000 Special Drawing Rights over a 3-year period. Any “de minimis” aid granted prior to 31 December 2020 is also relevant. You should look at how much “de minimis” aid your business has received over the last three fiscal years to determine whether you are close to the ceiling of 325,000 Special Drawing Rights. If you have received more than 325,000 Special Drawing Rights over the last 3-year period you will not receive funding under this Fund.

The 325,000 Special Drawing Rights ceiling takes into account all public assistance - whether this is from one public body or several - given as “de minimis” funding or under Article 364(4) over the previous 3 years and which can take various forms (grants, loans, subsidised contracts, etc). Aid given under an approved scheme does not have to be accumulated with de minimis aid.
Definitions of micro, small, SME and large organisation:

- 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 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.