



VisitEngland™

Coronavirus (COVID-19) Destination Management Resilience Scheme

Guidance Notes for Applicants

7 April 2020

Introduction

The Coronavirus (COVID-19) Destination Management Resilience Scheme (“the Scheme”) is designed to help alleviate the financial pressure many destination management organisations (DMOs) in all regions of England are currently facing. The Scheme will help to continue paying for those employees who have a critical role to play in communicating and engaging with tourism businesses during the current COVID-19 outbreak who would have otherwise been furloughed.

The purpose of this Scheme is not intended to conflict with either HM Government’s Coronavirus Job Retention Scheme or Self-Employment Income Support Scheme, but it recognises that DMOs may wish employees to undertake work at this important time and so would prefer not to furlough them.

The Scheme will also help to ensure consistent messaging and co-ordinated communications are directed to tourism businesses about the national and local advice and support available to them. It will provide local capacity to connect with VisitEngland’s DMO Regional Taskforce in order to share insights and business support best practice across DMOs and also support tourism recovery planning.

Eligibility

Destination Management Organisations in England must meet the following scheme criteria to apply:

1. More than 50% of forecasted total operating costs were to be funded by commercial income.
2. The receipt of this commercial income is now at risk due to the Coronavirus (COVID-19) pandemic.
3. The applicant organisation has strong and established channels as a means of communicating and engaging with tourism businesses in its destination area.
4. Employees’ job responsibilities must be undertaken in line with the prevailing Public Health England guidance. At the time of writing, this means that individuals must work remotely at home as DMO staff are not regarded as essential workers who need to travel to work.

Scheme overview

The budget made available to finance the Scheme is £1.3 million for the period from 1 April to 30 June 2020.

If your application is approved, you will receive 80% of the amount you have applied for as an initial payment. VisitEngland is aiming to make payments by BACS transfer of this no later than the end of April. The remaining balance of the grant will be paid following the receipt of a completed Grant Claim Form detailing all eligible, actual costs incurred over the three-month period in July 2020.

All costs must be incurred within the period from 1 April to 30 June 2020. Any unspent funds cannot be transferred beyond this end date.

Temporary financial support available for employees and freelance contractors

Applicants may apply for financial support to cover the salary costs for a maximum of 2 posts, to an upper threshold of £2,500 per employee per month along with employer on-costs restricted to National Insurance and pension contributions up to this amount (i.e. £2,500). These posts need to have existed on 28 February 2020 to be eligible for support from this Scheme.

VisitEngland will extend this Scheme to cover freelance contractor(s) engaged by DMOs, if those individuals are best placed to deliver business engagement and communications activities. The total monthly amount you may claim per contractor is up to £2,500 per month to ensure parity with the arrangements available to employees on PAYE under the Scheme. The qualifying date is also 28 February 2020.

All employee data and other information provided will be handled in strict confidence and only used for the purposes of assessing your application to the Scheme.

Rules on furloughed employees

If the staff members within the scope of this application have already been furloughed, then this does not mean you cannot apply for funding to enable them to return to work. However, VisitEngland will require proof that you have rescinded your application (and repaid any monies) to HM Government's Coronavirus Job Retention Scheme as a preliminary funding condition before the first 80% grant instalment can be paid. This same stipulation applies to freelance contractors who may have applied to the Self-Employment Income Support Scheme.

VisitEngland advises that you speak with the relevant staff members whose posts are identified for support in this application. This is especially important if the staff members have been furloughed in order to ascertain their willingness to return to work prior to submitting your completed application form. This is because they may have already made alternative plans to spend their time looking after children home from school and/or vulnerable adults within their family unit, including becoming an NHS Volunteer Responder.

Temporary financial support available for DMO operating costs

In addition to the temporary support available for employees and freelance contractors, applicants may also apply for £5,000 towards operating costs over the three-month period to 30 June 2020. Below is an inclusive but not exhaustive list of eligible and ineligible items of expenditure. If you are in any doubt about the validity of an item, please send an email with your query to destination@visitengland.org

Eligible Items

- License fees e.g. software and website hosting
- Office supplies and stationary
- Accountancy fees
- Unplanned maintenance and repairs
- Utilities such as gas, electricity, telephone etc.

Ineligible Items

- Advertising and campaign media
- Insurance
- Legal fees
- Purchase of capital assets and equipment, including IT and office furniture
- Travel and vehicle expenses (see below)
- Pre-existing scheduled upgrades to consumer and B2B facing websites

Since employees' (and contractors') job responsibilities must be undertaken in line with the prevailing advice from Public Health England, staff-related travel expenses are an ineligible cost on this occasion unless the guidance on working remotely from home changes.

State Aid

Following the outbreak of COVID-19 (coronavirus), the European Commission has approved schemes to aid businesses affected on the basis of the Temporary Framework¹², including the COVID-19 Temporary Framework measure for the United Kingdom³.

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.

This COVID-19 Destination Management Resilience Scheme has been designed and is being made available pursuant to the terms and conditions of the approved UK-wide State aid notification, 'COVID-19 Temporary Framework for UK Authorities' dated 6 April 2020.

The Euro equivalent of the Sterling aid amount is calculated using the European Commission exchange rate⁴ applicable on the date that aid offered.

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

Aid may be granted to undertakings that were not in difficulty (within the meaning of Article 2(18) of the General Block Exemption Regulation⁵) on 31 December 2019, but that faced difficulties or entered in difficulty (see Annex A) 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 to any one organisation over a three fiscal years period (i.e. your current fiscal year and previous two fiscal years), any other

¹ See https://ec.europa.eu/competition/state_aid/what_is_new/sa_covid19_temporary-framework.pdf

² See

https://ec.europa.eu/competition/state_aid/what_is_new/sa_covid19_1st_amendment_temporary_framework_en.pdf

³ See https://ec.europa.eu/commission/presscorner/detail/en/IP_20_603

⁴ See https://ec.europa.eu/info/funding-tenders/how-eu-funding-works/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en

⁵ See <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0651-20170710>

approved aid that you have received under other State aid rules, such as aid granted under the General Block Exemption Regulation.

Applicants to the Scheme must complete, sign and return the template letter contained in Annex B confirm that:

- a. the amount of State aid You are receiving under the COVID-19 Temporary Framework for UK Authorities does not exceed the €800,000 support ceiling; and,
- b. Your undertaking (i.e. destination management organisation) was not in difficulty (within the meaning of Article 2(18) of the General Block Exemption Regulation) on 31 December 2019.

How to access the Scheme

You will need to complete the application form which includes details of the staff members for whom you are requesting financial support and information on how their role(s) will deliver communications and engagement with tourism businesses in your destination area during the period of the COVID-19 outbreak.

Please send your application by email to destination@visitengland.org along with the following supporting documentation:

1. Job description(s) for the relevant staff member(s) (maximum 2).
2. Terms and conditions of employment with details of current salary payable in 2020/21.
3. Excel spreadsheet showing your monthly cash flow forecast for 2020/21 with particular focus on (i) total operating costs and (ii) commercial income and anticipated losses.
4. Staff structure chart for your organisation (tourism team only).
5. Supply of a letter on headed notepaper using the set text provided in Annex B confirming the amount of aid your organization is receiving under the EC's Temporary Framework and that your organization was not in difficulty on 31 December 2019. So long as this letter is signed, it may be sent as a scanned PDF file.
6. Completed New Supplier Form (only applicable if your organisation has never received direct grant payment from the British Tourist Authority trading as VisitEngland).

Funds are expected to be in high demand and therefore we advise that you apply early to avoid disappointment. Applications will be assessed in strict order of receipt against the criteria.

Project Monitoring Requirements

You will be required to complete and submit a Grant Claim Form at the end of the three-month funding period in early July. This will provide information on:

1. Evidence of actual, eligible expenditure and also actual loss of commercial income incurred over the three-month period as a trigger to claim the final balancing payment of up to 20% of the grant award.
2. How the funded posts have supported business communication and engagement during the period of the COVID-19 outbreak.
3. Business feedback on the effectiveness of this communication and engagement work.

Further Information and Queries

Please email any queries to destination@visitengland.org and the VisitEngland Team will reply to you either by email or telephone.

Annex A: Undertakings in Difficulty Assessment

Source: Section 2(18) General Block Exemption Regulations⁶22

(18) 'undertaking in difficulty' means 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.
- 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 (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. 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.
- 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.
- 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.
- e) In the case of an undertaking that is not an SME, where, for the past two years:
 - i. the undertaking's book debt to equity ratio has been greater than 7.5 and
 - ii. the undertaking's EBITDA interest coverage ratio has been below 1.0.

⁶ See <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>