



Destination Management Company and
Inbound Tour Operator Amplification and
Distribution Fund

Grant Scheme Guidance for Applicants

10 December 2021

Introduction

The Destination Management Company and Inbound Tour Operator Amplification and Distribution Fund (“the Fund”) aims to provide financial assistance by way of a cash grant to destination management companies (“DMCs”) and inbound tour operators for sales and marketing activity in either France, Germany or The United States. The fund is aimed at converting pent up demand for travel into visits to Britain in 2022 in a heightened competitive market place. Due to the nature of DMCs’ and inbound tour operators’ business models, VisitBritain recognises that there is a lag between when a booking is taken and the consumer travels which, given that businesses have been unable to build up financial reserves from sales in 2021, translates into a lack of cash for discretionary future sales and marketing activities.

The Fund is a new pilot programme for Britain-based operators with experience of working in international markets. It is designed to enable DMCs and inbound tour operators to utilise VisitBritain’s consumer sentiment research¹ in order to inform and carry out the level of sales and marketing activity required to compete effectively internationally. It will also enable operators to take advantage of the key booking period between February and June 2022. This will be a crucial period for the tourism recovery to build momentum and financial sustainability in 2022.

What is the scope and purpose of the Fund?

The Fund addresses post-pandemic recovery and aims to enable eligible DMCs and inbound tour operators to harness the latest VisitBritain consumer sentiment research to develop and market tourism to and around Britain from international visitors. The Fund will encourage international tour operators to dial up the promotion of Britain in their programmes, and to support the recovery of the tourism sector in line with HM Government’s Tourism Recovery Plan² published in June 2020.

In headline, VisitBritain is seeking to support DMCs and inbound tour operators who will be able to:

- Push Britain itineraries with a focus on extending the holiday season and that taps into international source market demand.
- Ensure itineraries included in the 2022 trade and consumer programmes of international tour operators in the target overseas markets of France, Germany and The United States.
- Deliver marketing activity, involving third party media buy, to promote those Britain itineraries to trade and consumers in each of the three overseas markets stated above.
- Evidence value add through marketing via its own channels and, where applicable, those of international tour operators.
- Provide post-campaign evaluation results showing the actual value (monetary GBP equivalent) and volume (number) of consumer bookings generated bringing incremental

¹ See <https://www.visitbritain.org/inbound-covid-19-sentiment-tracker>

² See <https://www.gov.uk/government/publications/tourism-recovery-plan>

visitors to Britain in 2022 in addition to those the DMC or inbound tour operator had already secured.

What is the budget of this Fund?

The Fund is a competitive grant scheme and will operate from early February to 24 June 2022 with a budget allocation of £300,000.

Who can apply?

The Fund is open to Britain-based³ DMCs and inbound tour operators, defined as follows:

- A **Destination Management Company** (DMC) is a business that provides a one-stop shop for all travel products, excluding flights, catering to specific or multiple international markets. It does not sell directly to the consumer but operates purely on a business-to-business basis (B2B), i.e. to a tour operator, travel agent or travel advisor.
- An **Inbound Tour Operator** is a business specialising in developing holiday programmes and itineraries for direct sales to end international clients or to international travel agent networks. Inbound Tour operators can be generalists offering tour packages published in catalogues and sold through travel agents or they be a FIT (Flexible Independent Traveller) tour operator selling tours directly to the end international client.

Applicants must have a permanent place of business in either England, Scotland or Wales (i.e. a registered office in either of these jurisdictions per Companies House). Please note that the home offices of individual employees would not be considered valid business addresses and therefore would be ineligible to apply.

For the sake of clarity, the following types of companies and organisations are ineligible for financial support from this Fund and so cannot apply⁴:

- Overseas-based Tour Operators
- Overseas-based Travel Agent Consortia
- Destination Management Organisations
- Tourism Business Improvement Districts (TBIDs)
- Online Travel Agents
- Sole traders
- Industry bodies
- Membership organisations representing solely a sectional interest-group within the tourism and hospitality industries, such as hotelier associations and attraction groupings.

³ Registered with an office in either England, Scotland or Wales.

⁴ If any applications are in fact received from this ineligible set, they will be identified at the initial checks stage and will not go forward for assessment and scoring.

What type of funding is available? How much can organisations apply for?

Eligible applicants can apply for a revenue cash grant to cover the costs of marketing tourism itineraries internationally, and drive Britain's tourism recovery in 2022.

An eligible DMC or Inbound Tour Operator can apply for the costs of marketing one (1) or more itineraries for sale through established in-market tour operators in one or more of the priority inbound markets of France, Germany and The United States.

Applicants must secure the commitment from one (1) or more priority inbound tour operators to promote each itinerary or set of itineraries.

The grant funding must support a detailed marketing plan for the promotion of the proposed itinerary or itineraries that involves marketing activity taking place during the period from the commencement date of the grant funding agreement, expected to be in early February 2022, to 24 June 2022.

Britain-based DMCs and inbound tour operators which meet the qualifying eligibility criteria can apply for individual grant awards between £20,000 and £40,000 in one of the two application categories:

- **Category 1** – open to DMCs and inbound tour operators whose sales turnover bringing inbound visitors to Britain was in excess of £5 million in the calendar year 2019.
- **Category 2** – open to DMCs and inbound tour operators whose sales turnover bringing inbound visitors to Britain was below £5 million in the calendar year 2019.

Around five (5) grant awards are expected to be offered in each of the two categories. We reserve the right to award a lower amount than that requested by the applicant, but with a minimum floor of £20,000.

How will the grant be paid?

The grant can only be paid into a UK bank account and will be made in three payment instalments:

- Instalment 1 - an initial payment of 30% on the e-signing of the grant funding agreement, expected to be paid in February 2022.
- Instalment 2 - a further 60% can be claimed at any time up to 24 June 2022, on submission of all the actual invoices for the eligible marketing activities. No marketing activity can occur after this date.
- Instalment 3 – successful applicants will be required to submit a report containing information on how the marketing activity has performed with data on the actual number and value of bookings up to 31 December 2022. Upon receipt of this report, the final 10%

of the grant award based on the total final actual project costs reported at Instalment 2 Stage will be paid to the applicant.

No cash co-financing contributions are required but applicants are encouraged to include additional budget or up-weighting from other partners within their application.

What are the eligibility criteria?

Applicants, whether in either Category 1 or Category 2 (see above), must meet **all** of the following eligibility criteria:

1. Must be a Britain-based DMC or Inbound Tour Operator. Applicants must have a permanent place of business in Great Britain (i.e. registered office address with Companies House). Please note that the home offices of individual employees would not be considered a valid business address in Britain.
2. Be legally incorporated as a company limited by shares or guarantee.
3. The eligible applicant must operate pan-Britain product itineraries in at least two (2) of the 'home' nations⁵ and must also demonstrate recent experience (namely, in 2017-19) of working in the chosen international markets, as evidenced by previous itineraries and sales to Britain, and previous marketing plans.
4. Applicants must demonstrate that they can use the grant to secure the support of an in-market tour operator whose role it will be to promote actively in their outbound programmes Britain consumer leisure itineraries. Additional weighting will be given to itineraries featuring two (2) or more of the 'home' nations and also at least two (2) cities.
5. Itineraries involving MICE and business tourism activities will not be supported.
6. The Applicant must be able to show that it has the available people resources to deliver the activity funded by the grant.
7. The Applicant must be able to show that it has the financial reserves to call upon and is not at risk of business failure and closure.
8. The Applicant must have a demonstrable track record of working with the proposed partner tour operator(s). Your application will need to be accompanied by (a) letter(s) of commitment from the partner tour operator(s) to the proposed marketing activity, along with confirmation of the Britain-related value (GBP equivalent) of sales that the applicant has done with the partner tour operator before the COVID-19 pandemic in each of the financial years 2018 and 2019.

⁵ England, Scotland and Wales

9. Applicants must commit to working with the VisitBritain local teams in each of the three markets in order to ensure that their actual marketing plans can complement the wider Britain marketing message in 2022.
10. Itineraries should be either FIT (Flexible Independent Traveller) itineraries or group tours.
11. If the Applicant is a Tour Operator selling direct to consumers in the target overseas markets of France and Germany, member-states of the European Union, then the Applicant must be (i) fully compliant with The Package Travel and Linked Travel Arrangements Regulations 2018; OR (ii) be able to provide confirm that the business operates on a B2B basis only; OR (iii) be able to provide confirmation that The Package Travel and Linked Travel Arrangements Regulations 2018 are not applicable to its business.
12. All applications must have a UK bank account in the name of the applicant. A bank account in the name of an individual will not be acceptable.
13. Confirmation that the business was NOT in financial difficulty before 31 December 2019. Please see the Subsidy Control section in this guidance document for further information about the legal basis on which this grant-funding is being offered.

What types of marketing activity will Fund cover?

Eligible applicants can apply for grant-funding to support the cost of marketing tourism itineraries in the target markets of France, Germany and The United States as a means of driving forward tourism recovery in 2022.

The Fund will support sales and marketing activities delivered through an in-market tour operator and include activities, such as:

- Media buy with a third party media owner.
- Creative content development undertaken by a third party (limited no more than 10% of the grant award)
- Other third party marketing costs may be considered at the discretion of VisitBritain (i.e. third party bespoke email development or targeted data purchase) but approval must be obtained prior to entering into spending commitments with the third party.
- PR or social media agency fees (limited to no more than 15% of the grant award).
- B2B2C communication activities through third party tour operators and travel agencies.
- Destination training.
- Production of new content, either digital or in print format, within tour operators' programmes.

Ineligible activities that the Fund cannot support, include *inter alia*:

- Business or product development such as business memberships, feasibility studies, research or business engagement activities.

- Business or product development activity business to business, i.e. events, trade shows, sales missions / calls.
- Familiarisation trips.
- New App development.
- Website development and/or upgrades.
- Capital costs and fixed business overheads, i.e. office and core staff costs, equipment, motor vehicle leasing contracts.

For the avoidance of doubt, a proportion of any awarded grant cannot be used to cover the costs of staff-members and freelance consultants employed or engaged to deliver this project. This is because the Awards Panel wish to see the value of the grant being wholly spent on the marketing and promotion of Britain itineraries.

Payments to the tour operator partners to promote the itineraries on their own channels (i.e. website, social media, email etc.) are also ineligible areas of expenditure. However, if a partner is willing to do this free of charge / at the Applicant's own cost, it would support the application.

If you have any queries about the potential eligibility of expenditure items within your budget when completing your application form, then please email TourOperatorFund@visitbritain.org

What should an applicant's detailed marketing plan include?

Applicants will need to demonstrate in their application how they propose to market their Britain itineraries, subject to more detailed plans being developed if the application is successful. Your draft marketing plan, outlined in your application, must include the following information:

- Plan objective
- Description of proposed activity
- Product content (i.e. accommodation, attractions and experiences) of the proposed itineraries to be promoted (in outline)
- In-market tour operator partners
- Targeting – geographical and audience profile and key segments
- Marketing activity channels
- Platform (i.e. media partner, social media, PR etc.)
- Budget request from the Fund

Assessment Criteria

Applicants will be expected to develop and deliver appropriate Britain travel itineraries, along with a marketing plan to be implemented with in-market partner tour operators. You are advised to pay close attention to the scoring framework and weighting for each individual assessment criterion as this directly relates to how your application will be assessed. The successful applications will be selected via this standardised points-based system.

Assessment Criteria	Max. Points
A. Strategic Alignment / Travel Itineraries	25 points

1. Please describe your proposal to implement either new or existing itineraries. Additional weighting will be given to those itineraries incorporating two (2) or more of the 'home' nations (England, Scotland and Wales) and a minimum of two (2) cities.
2. Additional weighting will be given to itineraries that demonstrate strategic fit to one (1) or more of the themes / pillars which form the basis of VisitBritain's inbound marketing activity which are City Foodies, City Icons with a Modern Twist and Outdoors in the City. Please demonstrate in your proposal how you have taken this into consideration.
3. Please explain how your proposal will meet the aim of extending the holiday season.

Assessment Criteria	Max. Points
B. Partnership with in-Market Tour Operators	15 points

4. Please explain your rationale for selecting the overseas markets (France, Germany and The United States) in which to promote your travel itineraries.
5. Please describe how you have worked successfully over the past three (3) years prior to the global outbreak of COVID-19 with establish tour operators' customers in your selected market(s), including the sales information given.
6. Please demonstrate the commitment you have secured from in-market tour operator(s) and whether they are able to provide either cash or monetised marketing in-kind contributions as a means of further promoting actively your new or adapted itineraries.

Assessment Criteria	Max. Points
C. Insight Driven Marketing	20 points

7. Please outline your proposed marketing plan demonstrating clearly how your new or adapted itineraries will be promoted by a range of different activities, such as paid media or PR through an approved third-party supplier. Your marketing plan should demonstrate how target audiences will be reached effectively. Generic destination awareness-raising campaigns are unacceptable.
8. VisitBritain's recovery marketing campaign in 2022 will showcase the destinations unique combination of diverse and dynamic tourism experiences, by welcoming consumers to see another side of Britain. The campaign will initially focus on cities, supporting those hardest hit by a lack of inbound tourism. The campaign will be underpinned by three storytelling themes: city foodies, city icons with a modern twist, and outdoors in the city, and all experiences will align with one of three emotional drivers for international audiences: travelling responsibly (and sustainably), travelling to reconnect (with themselves, friends, family and the world around them) and freedom to explore.

Please explain how you will align with this communications approach into your proposed activity in order to amplify VisitBritain's own promotional activities taking place between February and June 2022. Please demonstrate in your application how your marketing activities will be aligned to the opportunities identified in VisitBritain's consumer sentiment research. Your response needs to show how you have utilised our research in the development of your plans.

Assessment Criteria	Max. Points
D. Objectives and Measurement	20 points

9. Marketing campaigns should aim to convert to consumer bookings. Please forecast the expected number of enquiries about the itineraries and conversion estimates for actual bookings you expect to achieve as part of your response.
10. Your marketing plan will be assessed in terms of the target audience, marketing activity and forecast expected results.
11. Within your marketing plan, each proposed communications channel should set out clearly the proposed activity and forecast results. Evidence to substantiate your forecast results with reference to the success of previous similar campaign activities is desirable.

Assessment Criteria	Max. Points
E. Resourcing and Expertise	10 points

12. Please describe how you will mobilise this proposal if your application is successful and the staff resources you have available.
13. Please outline your participation in VisitBritain led events, missions and other activities in the three (3) years preceding the global outbreak of COVID-19.
14. Please outline how you plan to engage with the relevant VisitBritain offices in-market to ensure that your proposed marketing plans can complement the wider Britain marketing message.

Timeline for Call for Applications

Eligible applicants should complete an application form available to download and send it along with the supporting documentation to TourOperatorFund@visitbritain.org

The timeline for this call for applications is set out below:

Key Stage	Date
Call for applications to this new grant scheme launched	Friday, 10 December 2021
Deadline for completed applications with supporting letters of commitment	Thursday, 13 January 2022 at 11.59hrs (UK time)
Indicative date when applicants will be informed about the outcome of the assessment process and decision of the British Tourist Authority Board	In w/c Monday, 7 February 2022
Grant award set-up and contracting meeting held by video call (allow 30-45 minutes). Grant recipients to be sent draft grant funding agreement in advance of meeting.	Between Monday 7 and Friday 18 February 2022
Final grant funding agreement issued for e-signing and exchange	After each set-up and contracting meeting has occurred in February 2022
First grant instalment paid	Late February 2022

Grant Claim Form evidencing and seeking reimbursement of actual, eligible expenditure incurred on the project	As soon as expenditure incurred but no later than 24 June 2022
Interim post-completion report evidencing the marketing enquiries evaluation	24 June 2022
Final post-completion report detailing the actual number and value (£) of bookings made	31 December 2022

Applications must be emailed to TourOperatorFund@visitbritain.org to arrive no later than **11.59hrs on Thursday, 13 January 2022** in order to be considered for funding. Any applications received after this time will not be considered. Applications will not be assessed on a first come first served basis but rather against the eligibility and scoring assessment criteria.

If the Fund is over-subscribed by applications that meet both the eligibility and the assessment criteria, those applications will be ranked by VisitBritain and the applications achieving the highest overall scores will be awarded funding. Consequently, we advise applicants to pay close attention to the scoring framework indicating those questions which are scored and the maximum number of points available under each of them.

Decisions on which applications to fund will be made by an Awards Panel. These decisions will be ratified by the British Tourist Authority Board and all awards will be conditional on the outcome of appropriate due diligence checks into the prospective grant recipients.

Accessibility, Freedom of Information and Terms & Conditions

If you are successful, we shall send your draft Grant Funding Agreement to review and then discuss it with you in a grant set-up and contracting meeting (max. 45 minutes) held by video call. This is your opportunity to meet members of the Commercial Partnerships and Grants Management Teams and ask any questions you may have. After this meeting, you will then receive via our Procurement Team a finalised version of the Grant Funding Agreement for e-signing in order to accept the terms and conditions before the first grant instalment can be paid.

Successful applicants will be required to complete and return an initial report by way of a completed Grant Claim Form by 24 June 2022 detailing evidence of actual expenditure incurred on eligible project activities and submitting supporting invoices as evidence. This will release the second instalment of the grant award.

An interim post-completion report will be required to be submitted by 24 June 2022 detailing the success of the marketing activity and the number of enquiries received to date. This will release the second grant payment amounting to 60% of the total award. A final post-completion report detailing the actual number and value of bookings made will be required by 31 December 2022, including information about the number and value of actual bookings made to visit Britain.

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 fail to meet the reporting requirements detailed in your Grant Funding Agreement, VisitBritain will seek to recover, with costs, all sums awarded to you from this Fund.

British Tourist Authority trading as VisitBritain is subject to the Freedom of Information Act 2000 and may be obliged to release information about your grant information or grant award in

response to any questions received. Information on all grant awards will be uploaded to the Government Grants Information System, a database managed by Cabinet Office which is published annually to aid openness and transparency.

Code of Conduct for Grant Recipients

Grant making is an essential component in the tools available to VisitBritain to deliver our policy objectives. Grants are awarded to external organisations to assist us with the development of the British tourism industry, thereby supporting local economic development and helping UK tourism exports. This is why it is essential to ensure that grants are administered efficiently and effectively providing value for the UK tax-payer.

Prospective applicants are advised to familiarise themselves with the '*Code of Conduct for Recipients of Government General Grants*' (Cabinet Office, November 2018) which sets out publically the expectations placed on grant recipients, in terms of ethical and professional behaviour.

Data Protection

VisitBritain will use the data provided by You in the application form and supporting documentation to assess your application for grant funding, contact you regarding your application and for grant management purposes. Information provided by applicants as part of the process and/or the supporting documentation may be verified against other information sources held by other public sector bodies for verification purposes and reporting. For further information, please see <https://www.visitbritain.org/privacy-policy-terms-use-cookies-and-foi>

Subsidy Control

Confirmation of subsidies received

This Fund forms part of the British Tourist Authority trading as VisitBritain's COVID-19 recovery programme. Any grant awarded under this Fund will be made subject to the (new post-EU) subsidy control rules. The subsidy is granted under Article 364(3) of the UK/EU Trade and Co-operation Agreement, to respond to a national or global economic emergency. The grant award will be made under similar terms to the COVID-19 scheme in operation before 1 January 2021 and additional information will be provided to successful applicants in the grant funding agreement (award letter) and the terms and conditions.

You may need to declare any amount received from this Fund to any other aid-awarding body which requests information from you on how much aid you have received. You must retain the grant funding agreement for **four** years (i.e. until 31 March 2026) from the letter it was issued and produce it on any request from the UK public authorities.

A subsidy may be granted to economic undertakings (SME undertaking (i.e. an undertaking with 50 or more employees and 10 million euros or more of annual turnover and/or annual financial balance sheet) / Large economic undertaking (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 financial balance sheet) that were not in difficulty, but faced difficulties or entered into 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 325,000 Special Drawing Rights⁶ (SDR) to any one organisation over a three-year fiscal period (i.e. your current fiscal year and the previous two fiscal years).

If you are a small and micro enterprise (i.e. an economic undertaking with less than 50 employees and less than €10 million of annual turnover and/or balance sheet) you may be granted aid even if you would fall under the category of undertaking in difficulty on 31 December 2019, provided that you are not subject to collective insolvency procedure under English 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, if you are an SME or Large undertaking, as defined above, you will need 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' 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.
- 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.
- 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.

The Package Travel and Linked Travel Arrangements Regulations 2018

⁶ Special Drawing Rights (SDR) are a form international money, created by the International Monetary Fund, and defined as a weighted average of various convertible currencies. The current exchange rate from SDR to GBP (£ Sterling) may be found here: https://www.imf.org/external/np/fin/data/rms_five.aspx

If the applicant is a Tour Operator selling direct to consumers in EU/EEA countries, it must provide:

- EITHER: Evidence of compliance with the Package Travel and Linked Travel Arrangements Regulations 2018. This can be in the form of (i) a financial bond provided to the Civil Aviation Authority (CAA), Association of British Travel Agents (ABTA), Association of Bonded Travel Organisers Trust Limited (ABTOT); (ii) copy of Financial Failure Insurance Policy or (iii) written confirmation from an Independent Trustee that the applicant operates a Trust Account in accordance with Packaged Travel Regulations.
- OR: If you are exempt from the Package Travel and Linked Travel Arrangements Regulations 2018 because you are an operator who sells only to B2B, you must provide a letter from an external solicitor or accountant confirming this status and that you do not sell package travel directly to consumers.
- OR: if you consider that the Package Travel and Linked Travel Regulations 2018 do not apply to your business for another reason, you must provide a letter from an external solicitor confirming this and explaining why the Package Travel and Linked Travel Regulations 2018 do not apply. Please note VisitBritain shall review the letter in assessing our application for funding, but we may ask follow-up questions, take further legal advice or seek advice from industry regulators before reaching a conclusion.

Details of the Package Travel and Linked Travel Arrangements Regulations 2018 are available to download here:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1010122/package-travel-regulations-2018-guidance.pdf

Further Information and Queries

If you have any queries about this grant-funding opportunity, please send an email to TourOperatorFund@visitbritain.org and a member of the Commercial Partnerships Team will contact you.