



Isle of Man
Government



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ENTERPRISE
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The Hospitality Transition Support Scheme (HTSS)

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Guidance

ISSUED BY THE DEPARTMENT FOR ENTERPRISE

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Introduction and background

The Department for Enterprise's Hospitality Transition Support Scheme ("the Scheme") was established in June 2021 to provide grant assistance to support local businesses in the Hospitality and catering sectors that have been financially affected due to the global COVID-19 pandemic. The Scheme was created to assist certain businesses and self-employed persons whose turnover has been financially impacted (a 25% or more reduction in turnover) by trading restrictions as a result of COVID-19, including the cancellation of the 2021 TT festival.

The Scheme is made by the Department for Enterprise, with the concurrence of the Treasury, under the Financial Provisions and Currency Act 2011 (FPCA). A copy of the FPCA can be found at https://legislation.gov.im/cms/images/LEGISLATION/PRINCIPAL/2011/2011-0021/FinancialProvisionsandCurrencyAct2011_2.pdf

The Scheme is made under the Coronavirus Business Support Scheme 2020 (CBSS). The Tynwald Scheme (CBSS) can be found at https://legislation.gov.im/cms/images/LEGISLATION/SUBORDINATE/2020/2020-0156/CoronavirusBusinessSupportScheme2020_7.pdf

The latest Treasury Notice regarding the Scheme can be found at https://www.gov.im/media/1372053/treasury-notice-gc-2021_0032-final.pdf

This guidance is issued by the Department for Enterprise in accordance with paragraph 12 of the Scheme and sets out how the support is to be administered.

Note that the Department provides other forms of grants and assistance, details of which can be found at www.iomdfenterprise.im/financial-support

For further advice and guidance regarding the Department's grants and assistance schemes and the criteria for eligibility, including for this Scheme, potential applicants are encouraged to complete the online enquiry form hosted at www.gov.im/businessenquiries

Important note. Providing false, incomplete or misleading information in connection with an application under this Scheme is an offence. The maximum penalty is a fine of level 5 on the standard scale and/or six months in custody.

Important Note - Payments made under this Scheme are treated as income for Income Tax purposes and should be included in your annual tax return as taxable income. For further details please refer to <https://www.gov.im/media/1372987/pn-216-21-taxation-of-covid-19-financial-support-published.pdf>

Disclaimer

The information contained in this document is intended to be general in scope and should not be relied upon as advice.

Any offer of a grant is also subject to availability of Department funds.

The Department may amend this guidance from time to time. While every effort has been made to ensure that the content is correct and up-to-date at the time of publication, the Department does not accept any responsibility, legal or otherwise, resulting from any errors or omissions and shall not be liable for any losses or damage that anyone may suffer as a result of relying on the information contained herein.

1. THE HOSPITALITY TRANSITION SUPPORT SCHEME

1.1 Purpose and scope

The Scheme provides financial assistance to eligible businesses based on three times a business' gross annual rates bill for its commercial premises.

It is intended that this funding will support the sector over the transitional period of the three months of June, July and August 2021.

The aim of the assistance is to help sustain qualifying businesses during the ongoing difficult trading conditions with the intention that the supported businesses will hopefully continue to operate into the future.

Important note. If an application is approved, the payment of this grant does not represent a Rates rebate and does not remove the obligation for an applicant to pay their Rates bill(s) as usual.

“Applicants” are defined (and subject to other eligibility criteria) as being one of the following: -

1. Self-employed individuals;
2. Sole traders owning a business with no staff other than the owner;
3. Partnerships where both parties are the owners and have no other employees;
4. Businesses including limited companies with no staff other than the owner(s); and
5. Businesses including limited companies with staff other than the owners.

Important note - Applications for this payment round will open on Friday 18th June 2021 and close on Friday 30th July 2021 at 17:00. Any issues with submitted applications must be resolved by Friday 13th August 2021 at 17:00, failure to resolve issues by this date will result in the application being closed and no payment will be made.

Applicants may wish to note that free of charge support is also available through the **Business Improvement Scheme's** (BIS), Business Advisory Service. The Department provides a consultant who can offer general business advice in addition to discussing, any present issues or ideas for business change etc. The consultant will provide a short summary report. This is then followed by a shorter meeting a few months later to review progress and answer any further questions.

1.2 Overview of available support

The Scheme offers a single grant payment equal to three times the business' annual gross rates bill(s) or the rates contribution included in its commercial premises rent for either 2020/21 or 2021/22. A copy of the bill(s) and/or the landlord's written confirmation **must** be submitted as evidence.

Businesses are able to apply for multiple commercial premises under this Scheme.

1.3 Eligibility

a) Eligible businesses

Any business which is in an eligible sector in **1.3b** which has been financially affected (25% or more reduction in turnover) by trading restrictions as a result of COVID-19, including the cancellation of the 2021 TT festival.

b) Eligible sectors

Only hospitality, catering and the supply chain businesses directly supporting these businesses are eligible for this Scheme.

An eligible business must have income wholly or mainly from operating a: -

- a) Commercial business premises which is registered with the Department of Environment, Food and Agriculture as a food business, such as coffee shops, cafes and restaurants; or
- b) Commercial business premises in respect of which an on-licence, granted under the Licensing Act 1995, is in force, such as bars, nightclubs and public houses, whether or not they serve food; or
- c) Supply chain business which directly supports the businesses listed above.

Important note - For the avoidance of doubt, businesses which provide visitor accommodation and also offer those services listed in 1.3b above in a single business entity are ineligible for this Scheme and should liaise with the Visit Agency regarding the **Strategic Capacity Scheme**.

Any business not in an eligible sector listed above in 1.3b that can prove to the satisfaction of the Chief Executive of the Department for Enterprise that it has been financially impacted as a direct result of the trading restrictions caused by COVID-19, including the cancellation of TT 2021, may request special consideration. Such a request must be made in writing stating the reasons why such an exception should be made and provide any evidence, as requested by the Department, to support such a request.

c) Eligibility criteria

This Scheme is only available to “applicants” as defined in Section 1.1

Businesses within a group of companies, or those sharing common beneficial owners / shareholders, are eligible to apply provided each business meets the general eligibility criteria within this guidance.

Businesses with multiple commercial premises are allowed to apply for each premise on a single application.

In order to qualify for the Scheme and financial assistance all “applicants” must:

- a) Have been financially affected (25% or more reduction in turnover) by trading restrictions as a result of COVID-19, including the cancellation of the 2021 TT festival;
- b) Confirm that the business is their primary source of income. Please refer to the below definition of primary source of income;
- c) To the best of its knowledge, intend to continue trading through the current difficult conditions into at least the short to mid-term future and that if the business closes the grant may be repayable;
- d) Be in an eligible sector as outlined in the Guidance (1.3b);
- e) Have been in operation continuously for a period that commenced no later than 2nd March 2021;
- f) Have annual profits or gains wholly or mainly from a relevant sector as set out in this Guidance;
- g) Not have any overdue payments of more than 3 months which are more than £3,000 relating to Income Tax, National Insurance and VAT. **Important note** However, those applicants who engage with the Treasury to resolve their debts may be eligible for support. Applicants who may be in this situation are encouraged to apply and full tax/ITP/NI checks will be undertaken to determine the current status and eligibility; and
- h) Meet other Income Tax, NI and VAT compliance criteria.

Additional criteria specifically for self-employed applicants:

- i) Be a self-employed earner as defined by the Social Security Contributions and Benefits Act 1992¹;
- j) Have already notified the Treasury under regulation 87 of the Social Security (Contributions) Regulations 2001 of their liability to pay Class 2 National Insurance Contributions or notified the Assessor of Income Tax of any income from self-employment;
- k) Have been in operation, in the capacity specified in (i) continuously for a period that commenced no later than 2nd March 2021; and
- l) Derive his or her primary source of income, other than income which may be received via a pension entitlement, from an eligible sector.

Important note - With regards to all “applicants” including self-employed applicants, if you have been previously declined a Coronavirus Business Support Scheme application due to not meeting the Treasury’s eligibility criteria, an application is encouraged to be submitted to enable the Treasury to re-assess the applicant’s eligibility.

Important note - With regards to self-employed applicants, the primary source of income is defined as one of the following:

1. Only source of income; or
2. Main source of income; or
3. Income above £6,500.

Important note - Businesses who trade out of residential properties, including residential care homes, will not be eligible for this Scheme.

¹ <http://www.tynwald.org.im/links/tls/socsec/ss/SocialSecurityContributionsandBenefitsAct1992.pdf>

1.4 Application Process

Due to the high number of potential applicants, the Department will not be able to directly contact all potentially eligible businesses. Instead, the Scheme will be marketed widely and all information freely available on the Department's Enterprise web site.

All applicants are encouraged to carefully review their eligibility status before submitting an application.

Businesses who are unsure of their eligibility, may contact the Department by telephone on 687333 or by completing the brief online enquiry form which can be found at www.gov.im/businessenquiries

All applications must be submitted via the online electronic application form which can be found at - <https://www.iomdfenterprise.im/htss>

Following receipt of a correctly completed and eligible application form, the Department will seek to process applications within approximately 5-10 working days of submission of the application. However, due to the potentially high demand levels for the Scheme and depending on the complexity of the application, the processing period may be extended.

a) Information to be supplied

All applicants must fully complete the online application form which includes but is not limited to;

- The applicant's details;
- Answers to all eligibility questions specifically;
 - The sector within which the applicant operates;
 - A declaration that the business has been financially affected (25% or more reduction in turnover) by trading restrictions as a result of COVID-19, including the cancellation of the 2021 TT festival; and
 - A declaration that the "applicant" meets all of the eligibility criteria.
- **Important note** - Applicants must declare that they agree to supplying additional information to evidence the 25% downturn in turnover if requested by the Department;
- A declaration that the business is not in immediate danger of closing;
- Additionally, the applicant must provide the following information:
 - The details for up to 5 business premises can be added to the electronic application form. If the business operates from more than 5 business premises, additional information can be added via a template spreadsheet which can be found at <https://www.iomdfenterprise.im/htss>;
 - The details to be supplied per premise are as follows:
 - Name or number of the property;
 - Address;
 - Postcode;
 - Purpose the building is used for;
 - Cost of Rates - Gross rates bill or contribution;
 - Name of local authority (if applicable);
 - Landlord's name or company details(if applicable); and
 - Evidence to be attached.
 - For either 2020/21 or 2021/22, a copy of its Annual Rates bill(s) or in the case of contribution to a landlord, evidence of the rates apportionment included in any such payment.
- The Department's standard declarations.

b) Assessment criteria

The Department will assess each application based on the following criteria:

- Full completion of the electronic application form; and
- Eligibility.

c) Approval process

Once the Department has determined eligibility, for all applications the Department may confirm with Treasury the applicant's standing with regards to Income Tax, National Insurance and VAT. If these checks fail, the application may be rejected by the Department and the applicant will be informed via email.

All applications for a grant must be approved by a person designated by the Department.

d) Payment

The Department will authorise the payment to be made. All payments will usually be made into the applicant's business bank account approximately 5 working days following approval. Payment runs are usually completed daily but these may differ depending if there are any Bank Holidays or if demand dictates.

e) Declined applications

Due to the high volume of expected applications, the Department will notify ineligible or rejected applicants via email stating the reasons for the refusal and where appropriate, provide information as to the manner in which a defective application may be rectified.

f) Review of decisions

If an applicant has been refused and wishes to request a review of the decision, the applicant must clearly and concisely state the reasons for the decline, the reasons for the review, any measures undertaken to resolve the issue and provide any additional supporting information.

The Department must appoint an officer of the Department (other than an officer involved in the original decision) to adjudicate on the review. The review officer's adjudication will be final.

The reviewing officer will then consider whether the correct decision has been made in relation to the Tynwald Scheme and the Scheme's Guidance etc and cannot take into account hardship and personal circumstances etc.

The reviewing officer does not have the authority to make exceptional one-off decisions which do not comply with the Scheme's legislative framework.

A request for a review of a decision must be made in writing within 10 working days of the date of notification of that decision.

An application may only be reviewed once.

Review requests should be either emailed to enterprisesupport@gov.im or sent to:

The Hospitality Transition Support Scheme (HTTS),
Department for Enterprise,
St Georges Court,
Upper Church Street,
Douglas,
Isle of Man
IM1 1EX

1.5 Public disclosure

Applicants should also be aware that both parliamentary and freedom of information questions may be asked about particular applications or applicants. The Department will answer all parliamentary questions and freedom of information requests in accordance with the Freedom of Information Act 2015 and the Data Protection Act 2018.

1.6 Application form

Applicants should read the guidelines before submitting an application to the Department.

The Application Form is available at <https://www.iomdfenterprise.im/htss>