

FAQs
STRATEGIC CAPACITY SCHEME
ROUND 7
(Tourist Accommodation)

1. What is the Scheme intended for?

See the **'Purpose' section of the Guidelines.**

The purpose of the Scheme is to provide financial assistance to Tourist Accommodation businesses. This is to ensure the Island retains its strategic tourist accommodation capacity during the COVID19 crisis. The Scheme is intended to assist a more rapid recovery as the situation improves.

By providing targeted financial assistance, the intent is that the strategic capacity of the Tourist Accommodation sector will be maintained during a period of little, or no, turnover. Round 7 Funding is provided towards the fixed overhead costs of strategically important accommodation stock.

Round 7 Funding means funding provided under the Scheme for the two month period from 1st August until 30th September 2021.

2. How do I know if I am eligible for the Scheme?

The following accommodation businesses are eligible to apply for support provided they were registered with the Department before the 28th February 2021:

- Hotels
- Guest Houses
- Guest Accommodation
- Bed and Breakfasts
- Serviced Apartments
- Inns
- Farmhouses
- Self-Catering properties
- Permanent Glamping Sites (Permanent Campsites offering Glamping Accommodation)
- Hostels

Businesses who are unsure of their eligibility, should, in the first instance contact the Department by email accommodation.dfe@gov.im or call 01624 686663.

3. How do I know if I am not eligible for support under the Scheme?

The following types of Tourist Accommodation are currently not eligible for financial support under this Scheme:

- Temporary and permanent camping sites
- Temporary Glamping sites (temporary campsites offerings Glamping Accommodation)
- Homestay accommodation
- Premises on the Tourist Accommodation Register that are demonstrably operating as Houses of Multiple Occupancy (HMOs) - The Department reserves the right to inspect premises in this regard.
- Properties that have not registered for the 2021-22 registration year by the 28th February 2021 are not eligible for Round 7 funding.
- Businesses which cannot demonstrate a reduction in turnover for the qualifying period of 25% or more are not eligible for support.

Permanent campsite businesses with no glamping facilities are ineligible under this Scheme but are encouraged to contact the Department's Business Enterprise Support team on 01624 68733 or email enterprisesupport@gov.im and enquire regarding the Coronavirus Business Support Scheme.

4. How do I complete the application forms to apply for funding?

Applicants are required to submit an online application form to access Round 7 funding. Round 7 covers the two month period 1st August - 30th September 2021 inclusive.

Applications for Round 7 will open on 13th August 2021 and close on 31st October 2021. Any issues with submitted applications must be resolved by 30th November 2021.

Round 7 applicants are to calculate the business' percentage change in turnover between 1st April 2019 and 31st March 2020 in comparison to 1st July 2020 and 30th June 2021.

If you are applying for support under **Round 7** you need to complete the following Sections on each application form:

- Section 1 : Business Information
- Section 2 : Eligible Criteria - Part A
- Section 2 : Eligible Criteria - Part B
- Section 3: Eligible Criteria - Part C - Complete the turnover for each property as required.
- Section 3: Eligible Criteria - Part D - You must agree to all declarations and sign by typing your name in the box.

- Section 3 : Payment - ensure the bank details you enter are correct as any incorrect details will delay payment
- Section 4: Declarations -Tick all boxes and enter name and position in the company to confirm acknowledgement and agreement to declarations

5. What information will I need to be able to complete the application form for SCS 7 in August 2021?

- Business Information including accommodation name/owners name/contact details.
- Please note if this differs from the 2021-2022 registration form the Department reserves the right to contact the primary contact on the registration form.
- Company details including number of employees. If you are a sole trader you will need you National Insurance number
- The turnover of the business for the period 1st April 2019 - 31st March 2020 and 1st July 2020 - 30th June 2021.

Please refer to the application checklist which can be found here:

<https://www.iomdfenterprise.im/financial-support/funding/coronavirus-strategic-capacity-scheme/>

6. What is turnover and how do I calculate the percentage change?

“Round 7 Turnover” means the total value of sales of goods and services (between 1st April 2019 and 31st March 2020 in comparison to 1st July 2020 and 30th June 2021) to customers of your tourist premises. (The turnover total should not include deposits or advance bookings where the sale of the good or service has not been concluded but must include any previous payments under the Salary Support Scheme if received in the reporting period*, Strategic Capacity Scheme (Tourist Accommodation) Rounds 2, 3, 4 and 5 and/or Coronavirus Business Support Scheme CBSS if received in the reporting period);

*To calculate Salary Support Scheme figures applicants are to use £80 per employee per week as opposed to the full rate of weekly salary support received.

This turnover figure should relate to core accommodation business only and not include any turnover of other businesses operating from accommodation providers premises (such as separate businesses operating as restaurants etc.).

Any income received from the Isle of Man Government Support/Contribution Subsidy for returning residents /patient transfer (£250 per person, per week payment), should not be included in the turnover figures.

- You must declare (and provide evidence on request to confirm) the percentage reduction in business turnover.
- Businesses which declare a downturn in turnover of 25% or more are eligible for funding.

- Businesses that cannot demonstrate a reduction in turnover of at least 25% for the qualifying period will not be eligible for support

Examples:

Round 7 Application

Period A (non-covid year)	Period A Turnover £	Period B (The covid year)	Period B Turnover £	% change in turnover from Period A to Period B
1 st April 2019 - 31 st March 2020	£25,000.00	1 st July 2020 - 30 th June 2021	£5,000.00	-80.00%

To calculate the percentage change in turnover use the following formula

$$\frac{\text{Period B turnover} - \text{Period A turnover}}{\text{Period A turnover}} \times 100 = \text{percentage change in turnover}$$

25% or more - Receive the Full Support Payment Rate in Table 1 in the Guidelines.

Newly registered accommodation businesses with no turnover figures available for 2019-2020 will qualify for the half-funding support rate shown in Table 2 in the Guidelines.

7. What Declarations apply to SCS 7 support?

You must submit a fully completed and signed application form including but not limited to:

- Tourist Accommodation company or proprietor details;
- Answers to all eligibility questions;
- A declaration that the business is not in immediate danger of insolvency, winding up or ceasing to trade on a permanent basis;
- Details as to how the applicant would like to receive the funding. Preferably, and in the majority of cases, this should be via a business bank account; and
- The Department’s standard declarations.

For all businesses, the following must be declared on the application form: -

- The business was registered with the Department with the registration fee paid (if applicable) by 28th February 2021 to receive Round 7 Funding;
- The completed accommodation registration form has been submitted and fee paid for 2020-2021 and/or 2021-2022 (if applicable) before funding under this Scheme can be provided and that there are no registration fee arrears for previous years;
- The grant will be used for business purposes only;

- The business has been financially affected by loss of trade caused the COVID-19 pandemic;
- To the best of its knowledge, it is the intention of the business to continue trading through the current, difficult conditions into the short to mid-term future;
- The business is not in immediate danger of insolvency, winding up or ceasing to trade on a permanent basis;
- The business does not have any overdue payments of more than 3 months which are more than £3,000 relating to Income Tax, National Insurance and VAT;
- Declare (and provide evidence on request) to show they are at least 25% down on turnover for the qualifying periods;
- Agree to adhere to the conditions of the Scheme;
- Declare the beneficial owners of the business;
- Agree all conditions of previous Strategic Capacity Schemes have been adhered to including payment of creditors within the local supply chain and mothballing costs;
- Agree to offer and allow any customer deposits, advance payments or bookings, which have not been able to be honoured as a direct result of the Covid restrictions and the emergency measures in respect of the Island's borders, to be rolled over to the equivalent periods in 2021, 2022, 2023 as a minimum. This condition only applies to customers for whom the accommodation provider has not reached an amicable settlement. If you are unable to roll over bookings and a refund is necessary and should you require financial support to provide this, you may wish to consider the Working Capital Loan Scheme Information can be found here: <https://covid19.gov.im/businesses/funding-support/coronavirus-business-working-capital-loan-agreement/>
- Agreeing that financial assistance is repayable to the Isle of Man Government if the business is either sold (this includes under offer or sold subject to contract status) on or between 1st April and 31st December 2021, or does not open fully for business for the 2021 season (subject to border restrictions not being in force at the time).
- Acknowledge that it is the responsibility of the business owner to immediately inform the Department should changes occur to the business that would make the declarations signed in the original application void and possibly affect the levels of funding;
- Acknowledge that a person who provides false, incomplete or misleading information in connection with an application under the Scheme commits an offence. Maximum penalty (summary) - a fine of level 5 the standard scale and/or 6 months in custody.

8. How much money will I receive?

For those eligible, the level of financial assistance available will be based on accommodation type, the grading of the property, the number of rooms and the percentage drop in turnover and will cover a total period of 61 days (August - September 2021)

The modelling for this scheme is based on recommendations following independent research carried out to consider the impact of covid on accommodation providers and review the effect of the assistance to date.

Table 1 - Full Funding Support Rates

Tourist Accommodation that is 25 % - 100 % down on turnover will receive the following support rates.

	Accommodation Type	Quality Rating (per room or glamping unit, per day)			
		4* Plus	3*	2*	Rating Pending and Other
Serviced	Hotel	£ 21.25	£ 14.17	£ 10.00	£ 10.00
	Guest Accommodation	£ 14.17	£ 10.00	£ 10.00	£ 10.00
	Guest House	£ 14.17	£ 10.00	£ 10.00	£ 10.00
	B&B	£ 14.17	£ 10.00	£ 10.00	£ 10.00
	Serviced Apartments, Inns and Farmhouses	£ 14.17	£ 10.00	£ 10.00	£ 10.00
Non-Serviced	Self-Catering	£ 10.00	£ 10.00	£ 10.00	£ 10.00
	Hostels	£ 10.00	£ 10.00	£ 10.00	£ 10.00
	Glamping	£ 10.00	£ 10.00		£ 10.00

Table 2 - Half Funding Support Rates

Newly registered accommodation businesses with no turnover figures available for 2019-2020 will receive the following funding support rates.

	Accommodation Type	Quality Rating (per room or glamping unit, per day)			
		4* Plus	3*	2*	Rating Pending and Other
Serviced	Hotel	£ 10.62	£ 7.08	£ 5.00	£ 5.00
	Guest Accommodation	£ 7.08	£ 5.00	£ 5.00	£ 5.00
	Guest House	£ 7.08	£ 5.00	£ 5.00	£ 5.00
	B&B	£ 7.08	£ 5.00	£ 5.00	£ 5.00
	Serviced Apartments, Inns and Farmhouses	£ 7.08	£ 5.00	£ 5.00	£ 5.00
Non-Serviced	Self-Catering	£ 5.00	£ 5.00	£ 5.00	£ 5.00
	Hostels	£ 5.00	£ 5.00	£ 5.00	£ 5.00
	Glamping	£ 5.00	£ 5.00	£ 5.00	£ 5.00

Important note: The total number of rooms/units for each eligible business will be taken from the 2020-2021 accommodation registration form (and 2021-2022 registration form for new accommodation that registered for the first time for the 2021/22 registration year).

9. How do I figure out how much money I will potentially be receiving?

The funding is calculated as follows:

Number of bedrooms x funding per day rate based (see Table 1) x number of days in August & September (61 days) = Funding amount payable

Examples:

SCS 7 Application

A 3 star Self Catering property with 3 bedrooms that declares a drop in turnover of over 25% would be eligible to apply for the following funding: 3 bedrooms x £10.00 x 61 days for August and September 2021 = £1,830

10. When will I be paid?

- Businesses who are receiving £3000 or less will be paid in one lump sum
- Businesses who are receiving over £3000 will be paid in 2 monthly instalments according to the number of days in the month

The Department aims to process applications within 7 working days from receipt of the application. Please ensure applications are complete as incomplete or incorrect applications may delay the processing and payment of your application.

11. Why is my business not eligible for this Scheme (Permanent Campsite / Temporary Glamping site or Campsite/Homestay)?

Temporary Campsite or Glamping Site & Homestay

Homestay accommodation and temporary campsites operate for a few weeks of the year and are not permanent accommodation businesses. The focus of the scheme is to ensure the survival of the Island's permanent high-quality accommodation stock for the benefit of our visitors.

Permanent Campsite (with no glamping accommodation)

Permanent campsites are likely to have less operational costs and less local creditors than the serviced accommodation sector, along with reduced staffing costs. The support is therefore allocated to strengthen the Island's strategically important higher-quality accommodation stock. Those ineligible under this Scheme are encouraged to contact the

Department's Business Enterprise Support team on 01624 687333 or email enterprisesupport@gov.im and enquire about the Coronavirus Business Support Scheme.

12. Why is the payment to the Non-Serviced Sector not the same as the Serviced Sector?

The decision has been made to ensure the viability of strategically important businesses, such as the larger hotels, that underpin the tourist accommodation sector and provide increased levels of employment, which benefits the Island's economy as well as the overall tourism proposition.

13. If I am not eligible under the Strategic Capacity Scheme 7, what other schemes might I be eligible for?

Applicants may wish to note that free of charge support is also available through the [Business Improvement Scheme](#) (BIS), Business Advisory Service. The Department provides a consultant to discuss the business, any issues, 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.

Applicants are encouraged to visit the [Isle of Man Government's funding and support webpage](#) to understand if any further support or funding is available for the business.

Applicants may wish to consider the Working Capital Loan Agreement (WCLA) which provides a further safety net for those businesses who cannot access working capital via their banks or do not qualify for assistance via the Coronavirus Business Disruption Loan Guarantee Arrangements (DLGA). Further information can be found here: <https://covid19.gov.im/businesses/funding-support/coronavirus-business-working-capital-loan-agreement/>

14. If I have applied for Support under Rounds 1, 2, 3, 4, 5 and 6 and received the funds, can I apply for Round 7?

Yes, you will need to complete the full application form including declarations.

Additionally, if you have not applied for any support under the Strategic Capacity Scheme you can still apply for Round 7 provided your business meets the eligibility criteria.

15. I have a property that is currently 'rating pending' can I apply for funding?

Yes, if your accommodation with a 'rating pending' status was registered with the Department by 28th February 2021 you are eligible to apply for funding under Round 7 and you will be eligible for 'rating pending' rates shown in Table 2.

16. I am considering closing my business for a few months or until the border restrictions are fully lifted. Can I still apply for funding under Round 7?

Yes, but you will remain subject to the same turnover criteria as above and the terms and conditions of the scheme. You must also be legally registered with the Department for Enterprise to operate as visitor accommodation for the 2021-2022 registration year.

You must also adhere to the declaration that the business will be fully open when border restrictions are lifted.

17. I operate a permanent campsite with no glamping accommodation, am I eligible for any support?

Permanent campsites with no glamping accommodation are able to apply under the Coronavirus Business Support Scheme: <https://covid19.gov.im/businesses/funding-support/coronavirus-business-support-scheme/>

18. If my business is accepting Staycation bookings, repatriating residents, key workers or those self-isolating, can I apply for funding?

Yes, you remain subject to the same turnover criteria declaration in Section 3.

19. I am accepting long term lets during the period, can I apply for funding?

Yes, you remain subject to the same turnover criteria declaration in Section 3.

20. My business is for sale. Can I apply for funding?

Yes, however, as per the declaration in Section 3, should you sell your property on or before 31st December 2021 you must contact the Department to reimburse the Isle of Man Government.

21. Do I need to include funds received from the Isle of Man Government Support/Contribution Subsidy for Returning Residents or Patient Transfers?

No, any income received from the Isle of Man Government Support/Contribution Scheme for returning residents or patient transfers (£250 payment), should not be included in the 2020 turnover figure.

22. If I have received previous SCS funding payments outside of the period that round covers do I need to include this in my turnover figure for those months on my SCS 7 application?

Yes, this amount must be included in this figure, as it relates to support for the month it covers regardless of when it was paid.

For example, if you received a payment for SCS 2 which covered July, August & September 2020 in November 2020, this must be included in your turnover for July, August & September 2020.

23. As part of the SCS 7 application, I am required to / have been asked to provide business management accounts to demonstrate my downturn figure. What does this mean?

This means the businesses profit and loss accounts to demonstrate the turnover for the period.

24. Does the following condition of the Scheme include staycation bookings as well as bookings from off-island visitors?

Agree to offer and allow any customer deposits, advance payments or bookings, which have not been able to be honoured as a direct result of Covid restrictions and the emergency measures in respect of the Island's borders, to be rolled over to the equivalent periods in 2021, 2022, 2023 as a minimum. This condition only applies to customers for whom the accommodation provider has not reached an amicable settlement

Yes, this condition is to be applied to all bookings.

25. My tourist accommodation businesses is within the eligible categories for the Strategic Capacity Scheme (SCS) but my turnover does not meet the criteria to access support (e.g. 24% or below) can I apply for support under the Coronavirus Business Support Scheme (CBSS)?

Unfortunately, no. The only tourist accommodation businesses that are eligible to apply for support under the CBSS are permanent campsites without glamping facilities. All other tourist accommodation businesses are encouraged to access support through the Strategic Capacity Scheme.

All eligible businesses applying for support under the CBSS must declare alongside other declarations:

- that the ongoing border restrictions, as a result of the COVID-19 pandemic, has caused a 50% reduction in turnover

26. I believe my tourist accommodation business is eligible for support under both the Strategic Capacity Scheme (SCS) and the Coronavirus Business Support Scheme (CBSS). I have worked out that I will access a larger amount of funds under the CBSS, can I apply under this Scheme?

The only tourist accommodation businesses eligible to apply for support under the CBSS are permanent campsites without glamping facilities. All other tourist accommodation businesses are encouraged to access support through the Strategic Capacity Scheme.

There are very few occasions where businesses may be eligible for support under both the SCS and the CBSS in accordance with the eligibility criteria and we would encourage



businesses who may fall into this situation to make contact with the team and they will assist in deciding which Scheme to apply under. The team can be contacted using this email address accommodation.dfe@gov.im.