





## The Coronavirus Business Support Scheme

## **Guidance**

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#### Introduction and background

The Department for Enterprise's Coronavirus Business Support Scheme ("the Scheme") was established in March 2020 to provide grant assistance to support local businesses in designated sectors that have been financially affected by global COVID-19 pandemic.

The Scheme is made by the Treasury under the Financial Provisions and Currency Act 2011, a copy of which can be found at https://legislation.gov.im/cms/images/LEGISLATION/PRINCIPAL/2011/2011-0021/FinancialProvisionsandCurrencyAct2011\_2.pdf

The Tynwald Scheme can be found at http://www.tynwald.org.im/business/opqp/sittings/20182021/2020-SD-0156.pdf

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

It is intended that the grant and loan payments are used to support the business in numerous ways which can include, but not limited to, the following: -

- Alleviate cash flow issues;
- Paying business liabilities;
- Fund marketing initiatives;
- Invest into the business and its assets; or
- Undertake business improvement projects.

It is hoped that the support provided will help those businesses to continue trading during the current global crisis.

Note that the Department provides other forms of grants and assistance, details of which can be found at <a href="https://www.iomdfenterprise.im/financial-support">www.iomdfenterprise.im/financial-support</a>

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

#### Disclaimer

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

The provision of financial assistance is discretionary and the decision to provide assistance is based on the merits of each particular case.

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 CORONAVIRUS BUSINESS SUPPORT SCHEME

#### 1.1 Purpose and scope

The purpose of the Scheme is to provide financial assistance in the form of grant or loan payment(s) to those businesses that meet the Scheme's eligibility criteria (Please refer to 1.3a) and which declare that the COVID-19 pandemic has financially affected their business.

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 during and following the end of the pandemic.

Applicants may wish to note that free of charge support is also available through the <u>Business Improvement Scheme</u> (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.

#### 1.2 Overview of available support

The Scheme is designed to be flexible and in future has the ability to support additional sectors, multiple funding rounds with varying amounts of support is potentially available.

Initially, the Scheme offers financial support to eligible businesses in the form of a grant payment of £3,000.

The scheme will be extended in the near future to include loan payments to eligible businesses and more structured payments to visitor accommodation providers.

#### 1.3 Eligibility

#### a) Eligible sectors

#### **Tourist Accommodation**

"Tourist Accommodation" means a business with income wholly or mainly from any of the premises specified in Schedule 4 to the Tourist Act 1975 (Appendix A) excluding temporary campsites and homestay. These businesses include: -

- 1. Any premises used for the lodging for reward of tourists or visitors.
- 2. Residential hotels.
- 3. Holiday hotels.
- 4. Private hotels.
- 5. Tourist inns.
- 6. Motor inns.
- 7. Road houses.
- 8. Guest houses.
- 9. Boarding houses.
- 10. Lodging houses.

- 11. Flats, flatlets or other rented accommodation used or intended to be used for accommodating tourists.
- 12. Holiday hostels.
- 13. Holiday camps.
- 14. Holiday villages.
- 15. Camping sites.
- 16. Caravan sites.

#### **CATERING AND ENTERTAINMENT**

"Catering and Entertainment" means a business with income wholly or mainly from: -

- 1. Carrying out any of the activities related to any stage of production, processing and distribution of food excluding large retailers (Any retailer who exceeds the small company limit of £500,000);
- 2. Premises which are registered with the Department of Environment, Food and Agriculture as a food business, such as coffee shops, cafes and restaurants;
- 3. Premises in respect of which a licence, granted under the Licensing Act 1995, is in force, such as bars, nightclubs and public houses, whether or not they serve food;
- 4. Parks, gardens, recreation grounds, playgrounds, public walks and pleasure grounds;
- 5. Indoor and outdoor leisure facilities consisting of gymnasia, swimming pools and other water facilities, skating rinks, tennis, squash and badminton courts, bowling centres, golf courses, dance studios, riding schools and other centres for sporting activities;
- 6. Sporting and recreational activities on inland and coastal waters;
- 7. Shooting, archery or similar activity;
- 8. Any theatre, concert hall, cinema, dance hall or other premises (including facilities in the open air) suitable for: -
  - (i) the giving of entertainments; or
  - (ii) the provision of amusements;
- 9. Premises and other facilities for the holding of conferences. Excluding non-permanent events and festivals.

#### TRAVEL AND TOUR OPERATORS

"Travel and tour operators" means a business that has income wholly or mainly from the business of operating in the travel sector or as a tour or travel operator. Such businesses will include but are not limited to travel agents, coach operators, private car hire operators, car rental and taxi services but does not include shipping companies.

#### **LOGISTICS**

"Logistics" means a business with income wholly or mainly from the transport of goods to and from the island including haulage and freight operators.

As the pandemic situation develops, the list of eligible businesses may be increased to support additional sectors.

Support will only be provided to businesses and therefore public sector bodies, charities, sports organisations and not for profit organisations etc. are deemed ineligible.

#### b) Eligible businesses

The business must declare that: -

- It has been financially affected by loss of trade caused the COVID-19 pandemic;
- It was operating on 28th February 2020 and subsequently;
- It has two or more employees (which can include the owners and be either full-time or part-time permanent employees);
- It has less than 100 employees (With the exception of the hotel sector);
- To the best of its knowledge, it is the intention of the business to continue trading through the current difficult conditions into at least the short to mid-term future.
- The business does not have any overdue payments of more than 3 months relating to Income Tax, National Insurance and VAT.

Only one business within a group of companies will be eligible to apply.

Only one application and payment per business in each round of funding will be permitted.

#### c) Eligible expenditure

The grant must be used for **businesses purposes** by the supported business. It is intended that the grant can be used in two broad ways a) to help alleviate cash flow issues and b) to undertake business improvement initiatives.

#### 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 the application form.

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 <a href="www.gov.im/businessenquiries">www.gov.im/businessenquiries</a>

Following receipt of a correctly completed and eligible application form, the Department will seek to provide a decision on the application within 2-3 working days via email, with payment following 1-2 days later. Therefore, it is intended that successful applicants will receive payment within approximately 5 working days of submission of their application.

#### a) Information to be supplied

All applicants must provide: -

- A fully completed and signed CBSS1 application form including;
  - Company details;
  - Answers to all eligibility questions;
  - o A declaration that the business is not in immediate danger of closing;
  - Details as to how the applicant would like to receive the funding. Ideally, and in the majority of cases, this should be via a business bank account, however cheque payments will be available; and
  - o The Department's standard declarations.

#### b) Assessment criteria

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

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

#### c) Approval process

Once the Department has determined eligibility, the Department reserves the right to confirm the applicant's standing with regards to Income Tax, National Insurance and VAT with Treasury.

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

If approved, the applicant will be informed by email.

#### 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 1-2 days later.

Cheque payments can also be made in exceptional circumstances. Please be aware that timescales for cheque payments will be longer than stated in 1.4.

#### 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.

A request for a review of a decision must be made in writing within one month of the date of notification of that decision.

An application may only be reviewed once.

The applicant must clearly and concisely state the reasons for the review and provide any additional supporting information.

The Department must appoint a review 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.

#### 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.

#### 1.6 Application form

The Application Form is available at <a href="https://www.iomdfenterprise.im/CBSS">www.iomdfenterprise.im/CBSS</a>

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

Completed application forms and supporting documentation should be either emailed to <a href="mailto:enterprisesupport@gov.im">enterprisesupport@gov.im</a> or sent to: -

The Coronavirus Business Support Scheme, Enterprise Support, Department for Enterprise, St Georges Court, Upper Church Street, Douglas, Isle of Man. IM1 1EX