



# THE STRATEGIC CAPACITY SCHEME (TOURIST ACCOMMODATION)

## GUIDANCE

**ISSUED BY THE DEPARTMENT FOR ENTERPRISE**

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# 1. THE STRATEGIC CAPACITY SCHEME (TOURIST ACCOMMODATION)

## 1.1 Introduction

The Department for Enterprise's Strategic Capacity Scheme (Tourist Accommodation) ("the Scheme") was established in March 2020 to provide grant assistance to support local businesses in the tourist accommodation sector that have been financially affected by the global COVID-19 pandemic.

For the purpose of the Scheme the following definitions shall apply:

"Local Supply Chain" means suppliers contractors and businesses supplying Tourist Accommodation which have their ordinary place of business resident on the Isle of Man;

"Mothball" means Tourist Accommodation which is currently voluntarily closed by the proprietors but which shall reopen for business as Tourist Accommodation no later than April 2021 for the avoidance of doubt this includes the derivative terms "Mothballed" and "Mothballing" as the context requires;

"Round 1 Funding" means funding provided under the Scheme for the period 1<sup>st</sup> April until 30<sup>th</sup> June 2020;

"Round 2 Funding" means funding provided under the Scheme for the period 1<sup>st</sup> July until 30<sup>th</sup> September 2020;

"Tourist Accommodation" means a business with income wholly or mainly from any of the premises specified in Schedule 4 to the Tourist Act 1975 and duly registered in accordance with that Act excluding permanent and temporary campsites and Homestay.

## 1.2 Background

The Strategic Capacity Scheme was formed in March 2020 to support Tourist Accommodation businesses through the Round 1 Funding period.

The Scheme has now been extended to cover Round 2 Funding. For Round 2 Funding, the scope of the Scheme has been extended to include 2 Star and below properties in line with the new policy principle of providing fair and equitable support across the sector.

Operators of 2 Star and below properties are also eligible to apply retrospectively for Round 1 Funding.

## 1.3 Purpose

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, revenue. This support is provided towards the costs of maintaining strategically important accommodation stock and facilitating Mothballing of businesses over the affected period.

The aim of the assistance is to help sustain qualifying businesses with the intention that businesses will continue to operate during and following the end of the pandemic. It is the intention of the Scheme to provide support to businesses assisting them to uphold the reputation of the Isle of Man as a visitor destination and to maintain lasting positive relationships with visitors.

**Round 1 Funding** is provided so that accommodation providers can pay their business creditors in the Local Supply Chain and Mothball their business.

**Round 2 Funding** is provided on the condition that accommodation providers:

- Pay debts within the Local Supply Chain.
- Offer and allow any customer deposits, advance payments or bookings which had not been able to be honoured in 2020 as a direct result of the emergency measures in respect of the Island's borders, to be rolled over to the equivalent periods in 2021 as a minimum.

## 1.4 Eligible Types of Accommodation

### a) Eligible Premises

The following types of Tourist Accommodation are eligible for financial support under Round 1 Funding provided they were registered with the Department before 28th February 2020 in accordance with the regulations made under the Tourist Act 1975.

Tourist Accommodation applying for support under Round 2 Funding must have been registered with the Department before the 30<sup>th</sup> June 2020.

2 Star properties and below (previously excluded) are now eligible to apply retrospectively for Round 1 Funding.

The accommodation types below are eligible for both Round 1 and Round 2 Funding regardless of their quality rating. This means those accommodations that are 'rating pending' or are in receipt of a 1,2,3,4,5 Star, accredited and highly accredited rating are all eligible for support under Round 1 and Round 2 funding:

- Hotels
- Guest Houses
- Guest Accommodation
- Bed and Breakfasts
- Serviced Apartments
- Inns
- Farmhouses
- Self-Catering properties
- Permanent Glamping Sites (Permanent Campsites offering a majority or wholly of Glamping Accommodation)
- Hostels.

### b) Ineligible types of accommodation

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 and
- Properties that have de-registered since the 28<sup>th</sup> February 2020 are not eligible for Round 2 Funding.

## 1.5 Rates of Funding

### a) Round 1 Funding covering the period April, May and June 2020

The level of financial assistance available will vary depending on the accommodation type and quality rating. The payment will be made on a per room, per day basis covering a period of 91 days for the period from 1<sup>st</sup> April 2020 to 30<sup>th</sup> June 2020. The rates of funding are set out in Table 1 below:

Table 1.

Accommodation Type	Star	Rate (Per room or glamping unit, per day)
Hotel	4*	£ 21.25
	3*	£ 14.17
Guest Houses, Bed and Breakfasts, Guest Accommodation, Serviced Apartments, Inns and Farmhouses	4*	£ 14.17
	3*	£ 7.08
Self-Catering, Permanent Glamping Sites (permanent campsites offering Glamping accommodation) and Hostels	4*	£ 5.00
	3*	£ 5.00
	Highly Accredited	£ 5.00
	Accredited	£ 5.00

For example a 4\* hotel may have 25 rooms, therefore the support would be calculated as follows = 25 rooms x £21.25 day funding rate x 91 days = £48,343.75.

**b) Round 2 Funding covering the period July, August and September 2020**

The level of financial assistance available will vary depending on the accommodation type and quality rating. The payment will be made on a per room, per day basis covering a period of 92 days for the period from 1<sup>st</sup> July 2020 to 30<sup>th</sup> September 2020. The rates of funding are set out in Table 2 below:

Table 2.

Accommodation Type	Star	Rate (Per room or glamping unit, per day)
Hotel	4*	£ 21.25
	3*	£ 14.17
	2* and below and rating pending	£ 10.00
Guest Houses, Bed and Breakfasts, Guest Accommodation, Serviced Apartments, Inns and Farmhouses	4* plus	£ 14.17
	3* and below and rating pending	£ 10.00
Self-Catering, Permanent Glamping Sites (permanent campsites offering Glamping accommodation) and Hostels	All grades, accreditations and rating pending	£ 10.00

For example a 4\* hotel may have 25 rooms, therefore the support would be calculated as follows = 25 rooms x £21.25 day funding rate x 92 days = £48,875.00

The total number of rooms/units for each eligible business will be taken from the 2020-2021 accommodation registration form.

## 1.6 Financial Information and Supporting Documentation Required

**a) Round 1 Funding covering the period April, May and June 2020**

Applicants must provide full details of:

- Their creditors and monies owed, within the Local Supply Chain (e.g. suppliers or travel and tour operators operating in the Isle of Man) to cover the period April, May and June.
- A breakdown of specific costs in respect of Mothballing the business to the end of June 2020 (e.g. ongoing overheads, minimum staffing costs, costs of financing, rents, rates, utilities, security etc.);

- The value of refundable bookings returned to visitors with a commencement date in the period 1<sup>st</sup> April to 30<sup>th</sup> June 2020;
- The value of non-refundable payments retained by the business for bookings with a commencement date in the period 1<sup>st</sup> April to 30<sup>th</sup> June 2020;
- The value of the bookings with a commencement date in the period 1<sup>st</sup> April to 30<sup>th</sup> June 2020 moved to future dates.

## b) Round 2 Funding covering the period July, August and September 2020

Applicants must provide full details of:

- Those already in receipt of Round 1 Funding should now supply a set of accounts and supporting receipts satisfactory to the Department evidencing that the funds previously provided have been used to pay creditors in the Local Supply Chain and used towards Mothballing costs between 1<sup>st</sup> April and 30<sup>th</sup> June 2020. Electronic copies of the supporting receipts must be submitted to the Department via email to [accommodation.dfe@gov.im](mailto:accommodation.dfe@gov.im) at the time of the application for Round 2 Funding.
- Their current and anticipated creditors and monies owed, within the Local Supply Chain (e.g. suppliers or travel and tour operators operating in the Isle of Man).
- A breakdown of specific costs in respect of Mothballing the business from 1<sup>st</sup> July to the 30<sup>th</sup> September 2020 (i.e. ongoing overheads, minimum staffing costs, costs of financing, rents, rates, utilities, security etc.).
- The value of refundable bookings returned to visitors with a commencement date in the period 1<sup>st</sup> July to 30<sup>th</sup> September 2020.
- The value of non-refundable payments retained by the business for bookings with a commencement date in the period 1<sup>st</sup> July to 30<sup>th</sup> September 2020.
- The value of the bookings with a commencement date in the period 1<sup>st</sup> July to 30<sup>th</sup> September 2020 moved to future dates.
- If you wish to receive Round 2 Funding then you must agree to the condition that any customer deposits, advance payments or bookings for 2020 that cannot be honoured as a direct result of the emergency measures in respect the Island's borders, are as a minimum rolled over to the equivalent period in 2021.
- If you wish to receive Round 2 Funding of the Scheme then you must agree to make payments in respect of all existing debts within the Local Supply Chain.
- Recipients of Round 2 Funding agree to supply a set of accounts and supporting receipts satisfactory to the Department evidencing that the funds provided have been used to pay creditors in the local supply chain between 1<sup>st</sup> July and 30<sup>th</sup> September 2020. Electronic copies of the supporting receipts must be submitted to the Department via email to [accommodation.dfe@gov.im](mailto:accommodation.dfe@gov.im) by 1<sup>st</sup> November 2020 along with written confirmation that any customer deposits, advance payments or bookings for 2020 that cannot be honoured as a direct result of the emergency measures in respect the Island's borders, are as a minimum rolled over to the equivalent period in 2021.

## 1.7 Declarations

You must submit a fully completed and signed application form including;

- 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 accommodation registration fee has been paid for 2020 - 2021 before funding under this Scheme can be provided and that there are no registration fee arrears for previous years.

- It was registered with the Department with the registration fee paid by 30<sup>th</sup> June 2020 to receive Round 2 Funding.
- It 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 at least the short to mid-term future or Mothball.
- 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.
- Whether the business ceased temporarily or has been Mothballed due to the current trading conditions.
- Agree to supply a set of accounts and supporting receipts satisfactory to the Department evidencing that the funds provided have been used to pay creditors in the local supply chain and between 1<sup>st</sup> April and 30<sup>th</sup> June 2020.
- Pay debts within the Local Supply Chain.
- Agree to adhere to the conditions of the Scheme.

#### a) Round 2 Funding only

- Offer and allow any customer deposits, advance payments or bookings for 2020 that cannot be honoured as a direct result of the emergency measures in respect the Island's borders, are as a minimum rolled over to the equivalent period in 2021.
- Agree to supply a set of accounts and supporting receipts satisfactory to the Department evidencing that the funds provided have been used to pay creditors in the Local Supply Chain and between 1<sup>st</sup> July and 30<sup>th</sup> September 2020 by 1<sup>st</sup> November 2020.
- Pay debts within the Local Supply Chain
- Businesses that have not or do not intend to roll over reservations held for 2020 will be ineligible to apply for funding under Round 2.

## 1.8 Process When Applying For Round 1 and Round 2 Funding Together

For businesses eligible to apply for funding under Round 1 and Round 2, the following process must be followed:

- Applicant completes the application form for Round 1 and Round 2 Funding is released for Round 1, subject to checks;
- Applicant should supply a set of accounts and supporting receipts satisfactory to the Department evidencing that the funds previously provided have been used to pay creditors in the Local Supply Chain and used towards Mothballing costs between 1<sup>st</sup> April and 30<sup>th</sup> June 2020. Electronic copies of the supporting receipts must be submitted to the Department via email to [accommodation.dfe@gov.im](mailto:accommodation.dfe@gov.im) as soon as possible ;
- Upon the Department's satisfaction that the conditions of the funding from Round 1 have been met, approval will be granted for the release of funds under Round 2;
- Recipients of Round 2 Funding agree to supply a set of accounts and supporting receipts satisfactory to the Department evidencing that the funds provided have been used to pay creditors in the local supply chain and between 1<sup>st</sup> July and 30<sup>th</sup> September 2020. Electronic copies of the supporting receipts must be submitted to the Department via email to [accommodation.dfe@gov.im](mailto:accommodation.dfe@gov.im) by 1<sup>st</sup> November 2020 along with written confirmation that any customer deposits, advance payments or bookings for 2020 that cannot be honoured as a direct result of the emergency measures in respect the Island's borders, are as a minimum rolled over to the equivalent period in 2021.

## 1.9 Public disclosure

Applicants should also be aware that both Parliamentary and Freedom of Information questions may be asked about particular applications or applicants.



## 2.0 Application Process

Due to the high number of potential applicants, it will not be possible for the Department to contact all potentially eligible applicants. Instead, the Scheme will be marketed widely and all information freely available on the Department's Enterprise website.

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

Businesses who are unsure of their eligibility, should, in the first instance contact the Department by emailing [accommodation.dfe@gov.im](mailto:accommodation.dfe@gov.im) or call 01624 686663.

Following receipt of a correctly completed and eligible application form and supply of additional information to the satisfaction of the Department, the Department will seek to process applications within 7 working days. However, due to the levels of demand for financial support at this time, this period may be extended.

All applications must be submitted using the official application form as published by the Department. All application forms must be fully completed.

### a) 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. The Department reserves the right to contact the registered owner of the accommodation and the applicant to clarify the application.

Eligibility and award of funding shall be at the Department's discretion absolutely.

### b) Payment

The Department will authorise the payment to be made. All payments will usually be made into the applicant's bank account approximately 7 days following approval.

### c) Declined 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.

If your application is declined you can request a review and 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.

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

An application may only be reviewed once.

Review requests should be either emailed to [accommodation.dfe@gov.im](mailto:accommodation.dfe@gov.im) or sent to:  
The Strategic Capacity Scheme Tourist Accommodation Manager,  
Department for Enterprise,  
St Georges Court,  
Upper Church Street,  
Douglas,  
Isle of Man  
IM1 1EX

## 2.1 Application form

The Application Form is available at <https://www.iomdfenterprise.im/financial-support/funding/coronavirus-strategic-capacity-scheme/>

Applicants should read the guidelines before submitting an application to the Department. Queries should be emailed to [accommodation.dfe@gov.im](mailto:accommodation.dfe@gov.im) or call 01624 686663.

## 2.2 Additional Support

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.

Tourism accommodation businesses may not apply for support under the Coronavirus Business Support Scheme (CBSS) with the exception of permanent campsites with no glamping accommodation. If your business has received support under the Coronavirus Business Support Scheme (version 2) you cannot apply for this Scheme.

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.

## 2.3 Additional Information

### 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 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.

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](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>

The Department provides other forms of grants and assistance, details of which can be found at [www.iomdfenterprise.im/financial-support](http://www.iomdfenterprise.im/financial-support)

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 [www.gov.im/businessenquiries](http://www.gov.im/businessenquiries)

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

The Department will collate the information gathered as part of the application process, in order to fully understand the full financial position of the Tourist Accommodation sector. This will help inform consideration of any further financial assistance that may be required.

The Department reserves the right to request additional financial information where it sees fit.

The Department will continually review the eligibility of accommodation types and retains the right to change the eligibility criteria at its discretion.

Information submitted within an application or as an attachment may be audited by Isle of Man Government.