

ORKNEY ISLANDS COUNCIL
With funding from Highlands and Islands
Enterprise



**CORONAVIRUS – HOTEL WINTER 2022 SUPPORT
SCHEME**

January 2022

GUIDELINES

Contact: economic.development@orkney.gov.uk

PLEASE READ THIS GUIDANCE CAREFULLY BEFORE MAKING AN APPLICATION

This document details the eligibility criteria for assistance under the Coronavirus: Hotel Winter 2022 Support Scheme, and covers:

1. BACKGROUND	2
2. PRINCIPLES OF GRANT SUPPORT	3
3. WHAT CAN I APPLY FOR?	4
4. WHO CAN APPLY?	4
5. HOW DO I APPLY?	5
6. WHAT CONDITIONS APPLY?	5
7. STATE AID & 8. DATA PROTECTION	6

1. BACKGROUND

Orkney Islands Council and Highlands and Islands Enterprise are committed to supporting the local business community affected by the Coronavirus outbreak and have access to funding to address and respond to the ongoing impacts of the pandemic. Following an exploration of concerns raised about the financial capacity to retain valued staff throughout the winter months of early 2022, the Council and HIE Orkney have approved funding for Coronavirus: Hotel Winter 2022 Support Scheme which these guidelines now describe.

It is recognised that many Hotels were severely impacted by cancellations during the Christmas period as a result of the Omicron related restrictions. It is further understood that some Hotels, despite accessing Scottish Government Hospitality funding, will face significantly higher wage costs than such support, business reserves and currently constrained revenues can cover. This risks job losses during the remaining Winter months creating a serious risk to business continuity if re-recruitment and new training is required as the 2022 summer season approaches. It has already been recognised that recruitment was one of last year's major challenges for the sector and so this new Council scheme is designed to support Hotels to mitigate these challenges.

It must be emphasised that this scheme is intended to address gaps in national provision as an extra support to Orkney Hotel businesses. It is not intended to replace or duplicate national or other local schemes that are, or may become, available.

Applications will be considered on a case-by-case basis due to varying and changing economic and funding scenarios that businesses are facing in Orkney.

2. PRINCIPLES OF THIS GRANT SUPPORT

The key aim of the grant is to help Hotel businesses with wage cost where revenues have been curtailed by restrictions and reduced trade due to the COVID-19 pandemic. The grant is intended to protect the winter team in terms of posts and key skills and avoid redundancy. The expectation is also to avoid the additional burden of recruiting and retraining in Spring when Hotels need to be primed and ready for the hoped-for return of the visitor season. The intention is to help sustain the quality of the Orkney hospitality offer with continuity of experienced and skilled employees enabling hotels to still offer food services for the local community as well as the limited number of guests still expected.

This scheme will:

- Provide a grant of **up to 35% of specific and demonstrable monthly staff costs** (the grant award per business will be based on the demonstrable monthly staff costs for salaried staff). An initial payment will be paid to eligible businesses based on confirmation of December staff costs with the option to make 2 subsequent payments based on demonstrable January and February staff costs.

This scheme will not:

- Compensate for lost personal income derived from a business.
- Cover personal/household expenses, or other non-wage related costs.
- Be used in lieu of other Government grants covered by other grant funds.
- Accept applications from businesses who have been permitted to operate within Government restrictions, but which have chosen to close, and which were not open and trading at the end of the furlough period (31 October), unless in exceptional circumstances.
- Contribute to staff employed on a self-employed basis.

3. WHAT CAN I APPLY FOR?

The key aim of the Coronavirus: Hotel Winter 2022 Support Scheme is to support the retention of posts and key skills in the early 2022 months as described above and so the application just needs to confirm the wage costs for the previous month. This means a total aggregated figure for full-time and part-time posts that are contracted and appear on PAYE roll for the month being claimed for. Businesses will also be required to provide the number of staff that are paid each month expressed as a Full Time Equivalent (FTE)- that is a total Full Time and an aggregate figure of Part-time staff

4. WHO CAN APPLY?

Eligible Businesses

The scheme is targeted at Hotels located in Orkney which may be eligible for support where all of the following applies:

- a) the business is permanently based in Orkney;
- b) the business was actively trading before the impact of the Coronavirus/COVID19 pandemic;
- c) the business was not in financial difficulty (risk of bankruptcy or closing down) prior to the Coronavirus pandemic (before 31 December 2019);
- d) the business normally employs at least 1 full-time equivalent (based on at least a 35-hour week);
- e) the business intends to continue trading (unless ordered to close by Government measures);
- f) the business has applied for all Government Coronavirus related support the business is eligible for;

Ineligible Businesses

A Hotel will be considered ineligible under the Coronavirus: Hotel Job Support scheme where:

- it has been closed throughout the Summer 2021 season
- It ordinarily shuts for winter or has notified winter closure.

Awards under the Coronavirus: Hotel Winter 2022 Support Scheme will be at the sole discretion of the Council and as such additional information and checks may be requested.

5. HOW DO I APPLY?

To keep the process as simple and responsive as possible application is via email to economic.development@orkney.gov.uk (please include reference to '**Hotel Winter 2022 Support Scheme**' in the subject bar).

Once the Council has received your application and supporting evidence, officers will review your application as soon as possible and may contact you by email to request further information in order for a decision to be made.

Payment of successful grant applications will be made directly to the nominated bank account following acceptance of terms.

The Scheme will be open to application **until 28 February 2022** unless otherwise notified

Supporting Evidence/Additional Information Required

As this is direct support to hotels experiencing financial pressure to retain staff over the winter period, businesses require to provide copies of Payroll and staff contract evidence to support the request based on the specified monthly wage bill.

A recent bank statement providing payment details and showing evidence of trading during December 2021 should also be submitted.

The grant awarded will be based on the demonstrable Monthly Wage bill as follows.

- January support grant based on December wage bill
- February support grant based on January wage bill
- March support grant based on February wage bill

6. WHAT CONDITIONS APPLY?

Specific conditions are noted below

- The grant is towards retained and demonstrable staff wage costs and grant payment terms will be up to 35 % based on demonstrable monthly staff cost of the previous month.
- Hotels should have been open and delivering services in the period up to 31 December 2021.
- The grant is intended to address gaps in national provision as an extra support to Orkney businesses. It is not intended to replace or duplicate national schemes that are or become available eg extended furlough or other Job Support Schemes. Businesses must demonstrate that they have exhausted national grant schemes and that they are continuing to pursue all opportunities available to them. Therefore, the grant or part thereof may be reclaimable by the Council if the Hotel business is subsequently able to achieve full funding equivalent from Government or other sources.
- The Council's Coronavirus: Hotel Winter 2022 Support Scheme should not be used in lieu of any subsequent Scottish or UK Government's Job Support Scheme, should such schemes be launched. Under such circumstances businesses would be required to review their financial and support need circumstances with Economic Development Officers before any further payments were made as the Council grant should not duplicate any funds which can be accessed by applicants through other schemes.

There will be a level of delegated discretion in managing the scheme to deal with any as yet unconsidered issues or specific circumstances and to provide challenge under circumstances that do not satisfy the core principles and spirit of the approved scheme.

This is delegated to the Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, in consultation with the Head of Finance.

The Coronavirus: Hotel Winter 2022 Support Scheme is a grant and not loan, and a financial award in respect of a valid application therefore will not normally need to be repaid by the recipient. However, if a business should subsequently become eligible for, and receive Government support, as outlined further in the conditions section (which is possible as Government schemes evolve and new schemes emerge), the Council shall require the grant to be returned in order that the funding can be re-purposed to support other business needs/economic challenges arising from Coronavirus.

The Coronavirus: Hotel Winter 2022 Support Scheme is entirely discretionary by the Council, with no automatic entitlement to any grant. Due to the constantly changing picture of emerging Government grant schemes, the eligibility criteria for the Scheme and/or policy may still be altered.

7. STATE AID

Grant assistance will be given under ‘subsidy control regulations’.

Further details will be outlined in award letters issued to successful applicants but in summary the subsidy control regulations dictate that there is a cap (of approximately £335,000) of public subsidy in a rolling three year period.

This is broadly similar to de minimis aid under the previous EU regime.

The financial assistance value of this grant will be notified to successful applicants and it is the responsibility of the applicant to ensure they are not paid public funds above the £335,000 figure noted. Not all public funds are issued under subsidy control and Officers will be available to help clarify if required.

8. DATA PROTECTION

We need the information requested to decide whether applicants are entitled to a grant and to process any resulting grant award contract which is the legal basis for the Council’s lawful processing of your personal information. The information may be shared within the local authority, for example with Legal and Finance Services etc. and with Highlands and Islands Enterprise as a funding partner. For more information about how we process information, please visit Orkney Islands Council Privacy Policy [Orkney Islands Council Privacy Policy](#)