

# Romney Marsh Tourism Investment Support Scheme **Guidance Notes** (January 2018)



**You are recommended to read the Romney Marsh Tourism Investment Support Scheme Guidance notes before completing the full application forms.**

**Please remember you must complete all parts of the full application form except where exceptions are indicated e.g. where questions relate to parent companies and none exist and provide supporting documents which are listed in Section 10 of this Guidance.**

**Finally please ensure that a written business plan forms the basis of your application. You are advised to complete the application form and business plan in co-operation with your own financial advisor.**

## **1. What is the Romney Marsh Tourism Investment Support Scheme?**

The Marsh Million was a £1m three-year, economic growth fund for the Romney Marsh, area funded by the Magnox Socio-economic programme, Kent County Council, Ashford Borough Council and Shepway District Council. The scheme consisted of two elements, Marsh Business Boost loans and grants for wider-economic projects, both elements are now closed to new applications.

The new Romney Marsh Tourism Investment Support Scheme (TISS) is partly funded by recycled loan repayments from the former Marsh Business Boost scheme and offers 0% loans ranging between £15,000-£50,000 for investment in new or improving existing tourism industry products available on the Romney Marsh (see **Map 1**). Examples of such projects could include hotels; serviced accommodation experiences; destination restaurants; spa and meetings facilities; attractions and activity products; high quality self-catering, camping/glamping and caravan parks.

Kent County Council is the Accountable Body for the TISS scheme with support provided by Magnox, Ashford Borough Council and Shepway District Council.

## **2. The type of funding that is available**

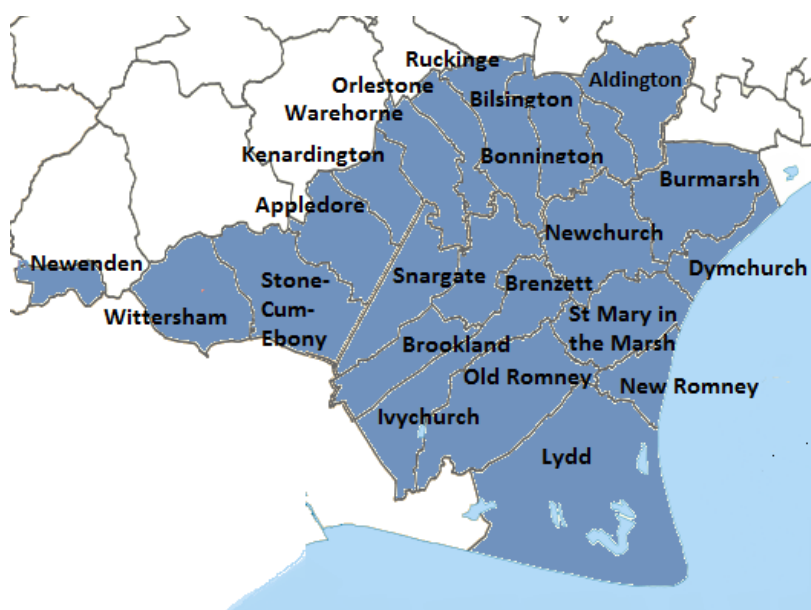
This scheme provides financial support in the form of repayable business finance, sometimes referred to as an interest free or soft loan (see **Glossary**).

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Although interest is not charged, each loan will incur an administrative charge equivalent to 3% of the total value of the Loan.

Loans shall normally be unsecured, although the Accountable Body reserves the right to seek a personal guarantee in certain circumstances.

### 3. Where is the Romney Marsh TISS Scheme eligible area?



TISS Eligible Area. Only specific Parishes within the local authority areas of Ashford and Shepway are eligible these are highlighted in **Blue** Map 1 Contains Ordnance Survey data © Crown copyright and database right

### 4. Who can apply?

You can apply for investment support from Romney Marsh TISS if you meet the following criteria:

- **Type** – You are either a sole trader, partnership, limited company or a not-for-profit business (see **Glossary** for definition) located or seeking to locate in the Romney Marsh TISS eligible area (see below and **Map 1**).
- **Sector** – You must be planning to be active or already active in the tourism industry as defined by **Appendix One**.
- **Amount** - Are you seeking a loan between £15,000 and £50,000.
- **Size** – You currently have less than 50 employees (see **Glossary** for definition).
- **Location** - Are you seeking to provide employment in the Romney Marsh TISS eligible area. i.e. located or seeking to locate within the designated eligible areas within the Borough of **Ashford** (Parishes of: Aldington, Appledore, Bilsington, Bonnington, Kenardington, Newenden, Orlestone, Ruckinge, Stone-Cum-Ebony, Warehorne, Wittersham) and the District of **Shepway** (Parishes of: Brenzett; Brookland; Burmarsh; Dymchurch; Ivychurch; Lydd,

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Newchurch; New Romney; Old Romney; Snargate; St Mary in the Marsh) - see **Map 1 Section 3 eligible areas are indicated in Blue.**

- **Timing** – You must submit your full application and supporting documents by **midnight on the 8<sup>th</sup> February 2018.**
- **Jobs** – For a loan of £15,000, as a guideline we would normally expect a new project to create a minimum 3 new full-time jobs equivalent (FTE) jobs (unless there are exceptional circumstances). FTE jobs can include full time, part time, casual and seasonal staff.

## 5. Eligibility Criteria

In addition to meeting the criteria in **Section 4** above, all investment proposals must fulfil the following conditions:-

- **Employment & Impact** - All proposals must have a positive impact on employment in the Romney Marsh TISS eligible area.
- **Demonstrate Need** – The applicant must be able to demonstrate the need (additionality) for financial support to go ahead or in exceptional circumstances would go ahead on a smaller scale.
- **Viability** - The organisation undertaking the investment proposal must be viable, have good growth potential and be self-sustaining by the completion of the investment.
- **Private Sector Match Funding** - The investment proposal requires support from other funding sources (see **Section 8** below for further details).
- **Number of Applications** - Applicants can only submit one application for the Romney Marsh TISS at any one time. The opportunity to submit further applications would be dependent on such a loan not breaching State Aid rules, permission should be sought from the Romney Marsh TISS Programme Management Team (for contact details see **Section 12**) prior to any further submission.
- **Repayment** – The normal method of repayment is via monthly direct debit and we would normally expect all loans to be repaid within a period of 5 years. However, it may be possible to negotiate a repayment holiday of a maximum of six months and repayment profiles which reflect the seasonal nature of tourism businesses. Repayment profiles involving “balloon payments” (an unusually large payment due at the end of the loan) and also those offering to repay over a period in excess of 5 years are not encouraged.

## 6. What we can fund

The minimum loan that can be applied for is £15,000. The maximum loan is £50,000. In addition, the Romney Marsh TISS loan cannot constitute more than 50% of total eligible costs. Therefore for an eligible investment totalling £50,000 the maximum TISS contribution would be £25,000.

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Funding from Romney Marsh TISS **can** be used to cover the following types of expenditure linked to the development of new or improving existing tourist industry products:-

- **Development Finance** - Funding required to expand the business e.g. marketing as part of a wider expansion project.
- **Commercial Premises** - Funding required to cover the costs of deposit, moving, leasing, improvement of premises (but not for the purchase of premises or land).
- **Plant and Machinery** - Funding required to cover the costs of new equipment, installation and related training.
- **Gap Funding** - Funding required to cover gaps in funding working capital where commercial funding sources e.g. overdrafts and invoice finance, cannot provide the full requirement. In such case, you must demonstrate why there is a funding gap and that other sources have been explored.

Capital assets funded under this scheme must be used primarily within the TISS eligible area and remain within the eligible area for a period of at least three years after the offer of funding.

## 7. What we **cannot** fund

- **Ineligible Sectors** - Romney Marsh TISS can only accept applications from a business who is active or seeking to be active in the tourism industries as defined by **Appendix One**. We do acknowledge that for some investment proposals it may be difficult to easily define which sector they fall within. Therefore please contact Romney Marsh TISS Programme Management Team before you submit an application so they can assess eligibility.
- **Ineligible Expenditure** - We cannot fund what we consider ineligible expenditure. Funding from Romney Marsh TISS **cannot** be used to cover the following types of expenditure:-
  - **Repayment of debt** - Funding cannot be used to repay outstanding debt to overdue creditors.
  - **Purchase of commercial land and/or property** - Funding cannot be used for any costs related to the purchase of commercial land and/or property but can be used to cover the costs of deposit, improvement, moving etc. (see above).
  - **Domestic accommodation** - Funding cannot be used for any costs related to a building primarily utilised as domestic accommodation.
  - **Residential Care accommodation** - Funding cannot be used for any costs related to a building primarily utilised as residential care accommodation.
  - **Stock Purchases** - Funding required to cover the costs of stock purchase.
  - **General Expenditure** - Funding cannot be used for general repairs, maintenance and/or running costs.

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- **Statutory Obligations** - Funding cannot be used for projects being undertaken solely to comply with statutory regulations.
- **Expenditure already incurred** - Funding cannot be used for to recoup expenditure already incurred before a formal offer is made by TISS Programme Management Team. A full application for assistance must be submitted and an offer made before expenditure on an investment proposal is commenced.
- **Others** – Funding cannot be used for the purchase of shares, goodwill and VAT.
- **Non-Viable Investment Proposals and Businesses** - Due to State Aid regulations Romney Marsh TISS cannot be used to support non-viable investment proposals from non-viable businesses.
- **State Aid Limits** - Any offer of finance assistance would lead to State Aid limits being exceeded. In the case of this scheme the applicant must not have received more than €200,000 of financial assistance from a public source for a trading activity over the previous 3 financial years (EU De Minimis Regulation).
- **Limited Private Sector Investment** - Romney Marsh TISS will not provide 100% funding or cover all the costs of an investment and will seek a minimum of 50% of the total eligible costs as private sector investment (match funding). The types of eligible expenditure and the levels of funding offered for Romney Marsh TISS are detailed in **Section 6**.
- **Applicants in receipt of KCC Loan or Grant funding** – Applicants who have received funding from the current or former KCC managed schemes (Kent and Medway Business Fund, Expansion East Kent, Marsh Million, Innovation Investment, Tiger and Escalate) will only be able to proceed with bids if: a) their applications remain within State Aid Rules; b) that they are up to date on their monitoring and loan repayments at the time of the submission of their full application.
- **Reputation** - Investments which would result in potential damage to KCC and its partners' image and reputation.

### 8. Private Sector Match funding

Applications must demonstrate a requirement for Romney Marsh TISS investment. A minimum level of 50% of the costs of an investment are required to be funded from private sector sources, such as the applicant's own resources or commercial lenders e.g. for a project costing £50,000, Romney Marsh TISS could make available £25,000, with the business providing the remaining £25,000.

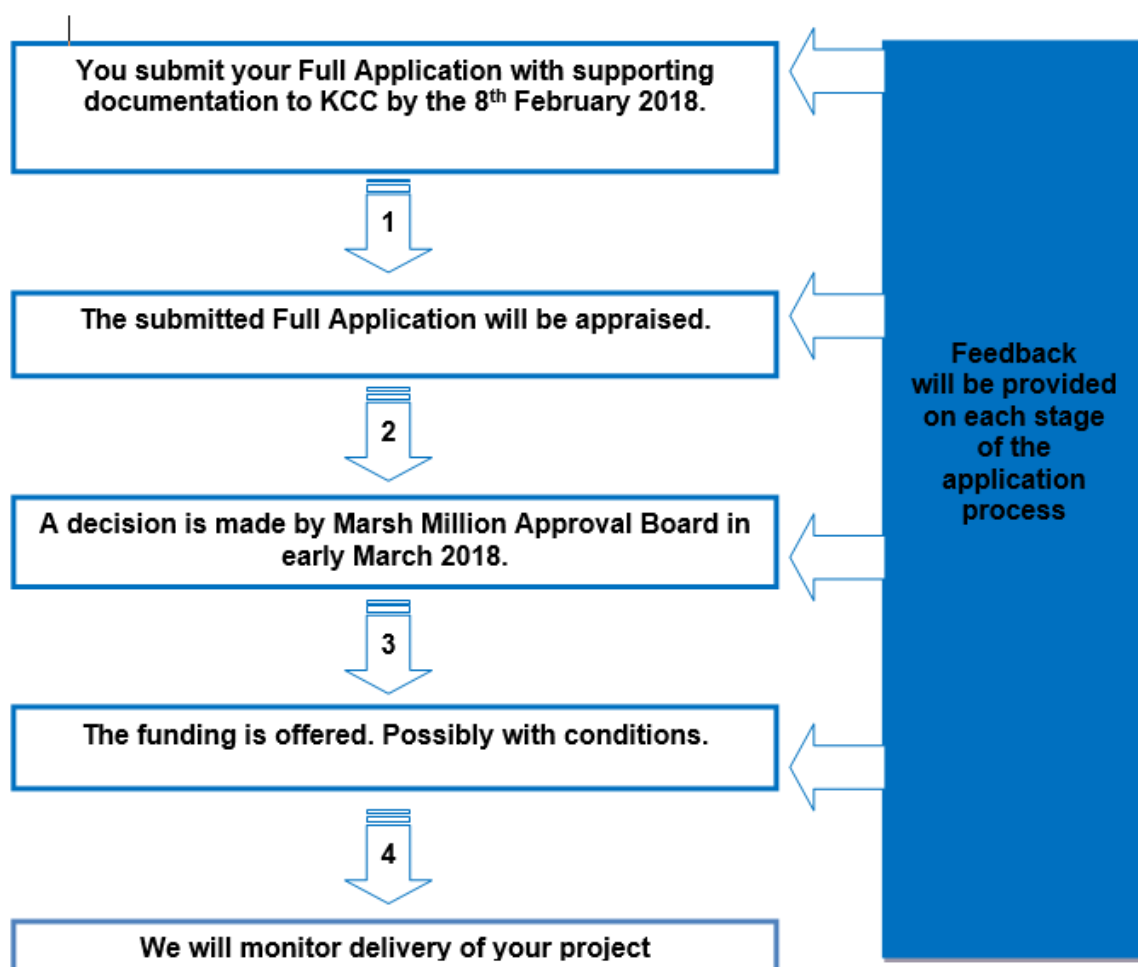
Eligible private sector match funding includes: Bank loan; Company own funds; Overdraft facility; Own funds inc. Owner, Partner's, Director's, Member's loan; Pension funds from Company; Private investor/New share capital/New equity investors.

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Sources regarded as ineligible match funding include: Costs already incurred; Loans or overdraft facilities which have been committed to cover previous expenditure.

Applicants should aim to have secured match funding by the time that they submit their full application. At full application stage all applicants must complete a Match Funding Declaration (Part 2) which confirms the level and sources of this match funding.

## 9. Romney Marsh TISS Application Process





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## 10. Application & Appraisal

Your funding submission should consist of the following **Application and Supporting Documents** :

- A completed and signed copy of the full application (a template is available on the KCC website).
- A business plan detailing the business history and future plans (a template is available on the KCC website).
- Up to two year's statutory audited/unaudited/drafted accounts (this would depend on how long the business has been in existence - this documentation is not required for start-ups).
- At least two year's projected balance sheet, profit and loss and cash flow (including forecasted loan repayments). In the case of cash flow these should be provided on a monthly basis (a template is available on the KCC website).
- A copy of any planning approval or licence (if relevant).
- In the case of a not-for-profit business please enclose a copy of the relevant clauses from your memorandum and articles of association, rules or governing documents, which relate to how the organisation distributes profits.
- Completed De Minimis Declaration (Part 1) and Match Funding Declaration (Part 2) (a template is available on the KCC website).

A copy of your full application and supporting documents should be submitted by **midnight on the 8<sup>th</sup> February 2018**. These can either be submitted by email to [marsh.million@kent.gov.uk](mailto:marsh.million@kent.gov.uk) or by post (address to the listed in **Section 12**)

On receipt of your application and supporting documentation the TISS Programme Management Team will undertake a key criteria check to ensure conformance.

Please note that by submitting a Romney Marsh TISS application your organisation is agreeing to KCC seeking necessary credit references or reports. All proposals and supporting documents must be the property of the applicant and must not infringe any existing patent or copyright and all applications will be deemed as commercial and in confidence.

The appraisal team appointed by KCC may need to raise questions with applicants to clarify issues or request additional information. The appraisers will make recommendations to the Approval Board meeting in early March 2018. Applicants will be invited to attend the March Board meeting to make a presentation related to their application. Final decisions on awarding or withholding investment will be at the discretion of KCC.

If your application is successful, you will be informed of the decision by telephone normally with 3 working days of the Board meeting and also be provided with an offer letter detailing the level of finance and the conditions associated with the funding. This will constitute part of the contract with KCC as the Accountable Body for Romney Marsh Romney Marsh TISS. If your investment proposal is

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unsuccessful, then your letter will provide information on the reasons for this decision.

Payment of funding is dependent upon agreed investment and/or employment milestones being achieved by the recipient (to be set out in the offer letter).

- Suitable milestones will be identified from the information contained in your business plan; these will then be monitored during the lifetime of the investment period and 3 years beyond the final payment to ensure that the conditions of the finance offer have been met.
- All details will be fully documented in the offer letter.
- Any award of finance under the TISS may become repayable in its entirety if the investment should move outside the TISS eligible area.

## **11. Guidance on the content of the Business Plan**

Your business plan is an essential part of the application process and you must submit one copy of this document along with copies of your full application form and other supporting documentation (see **Section 10** above). Your business plan will remain “commercial in confidence”.

The business plan must be specific to your proposal but should also refer to how your proposal links to any other parts of your business already in place, if appropriate. A template of a business plan will be provided to all prospective applicants.

## **12. Contact for further Information**

**TISS Programme Management Team**  
Kent County Council  
2<sup>nd</sup> Floor, Invicta House, County Hall  
Maidstone ME14 1XX  
Email: [marsh.million@kent.gov.uk](mailto:marsh.million@kent.gov.uk)



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### Glossary of Terms

<b>Additionality</b>	Applicants must describe the additionality of their project and the ways in which this will be achieved. For example, demonstrate the reasons why TISS funding is necessary to enable the proposal to succeed? Provide the reasons why the project would not go ahead without TISS funding.
<b>Administrative Charge</b>	Equivalent to 3% of the total value of the Loan.
<b>De Minimis</b>	Commission Regulation No 1407/2013 which covers TISS and sets a threshold for applicants of €200,000 for financial assistance from a public source for a trading activity over the previous 3 financial years.
<b>Innovation</b>	Applicants must describe the innovation of their project and the ways in which this will be achieved. For example, explain how your application will be innovative to the TISS eligible area? How the application will be innovative in terms of your business type or sector?
<b>Jobs Created</b>	These can include full time, part time, casual and seasonal staff.
<b>Jobs Safeguarded</b>	A job that would otherwise have ceased to exist within 6 months of receipt of funding.
<b>Loans</b>	TISS loans are offered at 0% interest to eligible businesses (with a 3% administrative charge) and repayments terms are flexible within certain parameters.
<b>Not for Profit Business</b>	Either: Charities; Community Interest Companies; Companies limited by guarantee or Industrial & Provident Societies
<b>Security</b>	Loans shall normally be offered unsecured, although the Accountable Body reserves the right to seek a personal guarantee in certain circumstances i.e. high level of risk.
<b>Small Business</b>	The EU defines a small business (enterprise) as: <ul style="list-style-type: none"> <li>• Employing less than 50 people</li> <li>• Having a balance sheet that is less than €10m</li> <li>• Annual turnover less than €10m pa.</li> </ul>

## Appendix One – Tourist Industry Definition

<b>Tourism Industry</b>	<b>Standard Industrial Classification Code\Description</b>
<b>Accommodation</b>	55100 Hotels and similar accommodation 55202 Youth hostels 55300 Recreational vehicle parks, trailer parks and camping grounds 55201 Holiday centres and villages 55209 Other holiday and other collective accommodation 55900 Other accommodation
<b>Food and beverage serving activities</b>	56101 Licensed restaurants 56102 Unlicensed restaurants and cafes 56103 Take-away food shops and mobile food stands 56290 Other food services 56210 Event Catering Activities 56301 Licensed clubs 56302 Public houses and bars
<b>Railway passenger transport</b>	49100 Passenger rail transport
<b>Road passenger transport</b>	49390 Other passenger land transport
<b>Water passenger transport</b>	50100 Sea and coastal passenger water transport 50300 Inland passenger water transport
<b>Air passenger transport</b>	51101 Scheduled passenger air transport 51102 Non-scheduled passenger air transport
<b>Cultural activities</b>	90010 Performing arts 90020 Support Activities for the performing arts 90030 Artistic creation 90040 Operation of arts facilities 91020 Museums activities 91030 Operation of historical sites and buildings and similar visitor attractions 91040 Botanical & zoological gardens and nature reserves activities
<b>Sporting &amp; Recreational activities</b>	93110 Operation of sports facilities 93199 Other sports activities 93210 Activities of amusement parks and theme parks 93290 Other amusement and recreation activities nec