



Llywodraeth Cymru
Welsh Government

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Tourism Investment Support Scheme

Guidance Notes

The objective of TISS is to stimulate increased demand from new and existing markets by encouraging capital investment projects which improve the quality of facilities in existing tourism businesses, and create a distinctive sense of place, as well as encourage investments in new quality facilities and businesses with potential for high growth and profitability, and where the result is to add value to, not displace activity and custom.

What is TISS?

TISS is a discretionary investment scheme, aimed at Welsh private sector tourism businesses. It operates under the European Commission General Block Exemption, and therefore complies with 'State Aid' Rules.

Support of between £5,000 and £500,000 may be available. However, the maximum level of support allowable may vary according to the location and size of the business. The amount of support that may be offered will always be the minimum amount necessary to ensure the project is completed to the planned quality, scale or timescale. In practice, support is likely to be up to 25% of eligible costs, or lower if the project is not in an assisted area. The level of support (subject to State Aid) can however exceed 25% where the quality, outputs or funding need are exceptional, on a case by case basis.

Under this scheme the following capital expenditure improvements will be encouraged:-

- additional quality en-suite bedrooms and facilities in the serviced sector;
- upgrading en-suite bedrooms and facilities in serviced sector accommodation;
- imaginative new visitor experiences/ interpretation in tourist attractions;
- upgrading in the activities sector to improve visitor experience and competitiveness;
- additional or upgrading of toilets/ showers, central amenities, catering facilities, electric hook ups, environmental and site design improvements in caravan and camping parks;
- additional or upgrading of self catering unit clusters. If additional units this must take you to a minimum of 3 units, if upgrading you must have a minimum of 3 units. Upgrading works could also include investment in leisure facilities;
- upgrading facilities at golf clubs to improve the experience for the visiting golfer;
- upgrading to provide a Sense of Place (SOP) in accommodation and restaurants (that are visitor related).

The prime objective of this scheme is the provision of **quality facilities**, to add value, and improve both the business performance and the visitor experience. Any project relating to additional capacity will only be considered if the result is to grow the tourism economy of Wales, as opposed to causing displacement.

Applicants will need to be aware that if support is offered a number of criteria/conditions will need to be complied with either at payment stage or during the post payment period, including:-

- specified capital expenditure and job targets reached;
- specified private sector funding package realised;
- 60% of front facing staff to achieve Croeso Cynnes Cymreig (<http://wales.gov.uk/topics/tourism/croesoprogramme>) status within six months of project completion or to have completed your own in house scheme, incorporating Croeso Cynnes Cymreig, agreed with the Visit Wales Visitor Experience Manager;
- take part in the Visit Wales Occupancy Survey;
- achieve and maintain the relevant Visit Wales' quality grading or accreditation.

Where Visit Wales does not offer a quality assurance scheme for a particular sector (e.g. adventure activities and restaurants) a suitable alternative scheme must be followed where it exists (please enquire for further information), otherwise appropriate conditions relating to quality will be attached to the offer of assistance. For example:

- Attractions will need to join and maintain participation in the Visit Wales' VAQAS accreditation scheme.
- All Serviced Accommodation will have to achieve an agreed (where no grading currently is in place) or improved quality grade as a result of the investment, or evidence a significant quality change (eg. such as a spa facility, leisure and

conference facility). All cases will be appraised on their own merits; as a general rule the target level for hotels will be to achieve three/four star on completion, and four/five star in all other cases.

- All Camping and Caravan Parks will have to achieve an agreed (where no grading currently is in place) or improved quality grade as a result of the investment under the British Graded Holiday Parks Scheme, be at least four star on project completion, or evidence a significant quality change (e.g. a leisure facility).
- Self Catering facilities will have to achieve a minimum four stars on completion, an increased quality grade if four stars at the time of project, or evidence a significant quality change (e.g. a spa facility).
- Other accommodation such as hostels and similar accommodation must be at least four star on project completion.

NB – quality grading schemes change from time to time and in such cases equivalent ratings or quality benchmarks will apply based on the then current Visit Wales scheme or equivalent.

A complementary objective of the scheme is to encourage tourism businesses to develop facilities, or procedures, which directly result in energy efficiency and environmental improvements.

NB – TISS will not however exclusively support energy efficiency capital expenditure. Eligibility under TISS is first and foremost defined by the project's match as a 'tourism' investment (eg. upgrade/new capacity) which meets with the TISS investment priorities. Eligible energy efficiency related costs must be less than 50% of the total project cost.

In addition to energy efficiency and environmental improvements, we will prioritise projects which can demonstrate:-

- that the rationale for the project is to realise specific marketing opportunities that add value rather than displace existing business;

- an excellence in the quality of design and specification;
- the creation or safeguarding of employment opportunities;
- increased competitive advantage for Welsh tourism in both UK and overseas markets;
- a professional management team with commitment to skills training and staff development including Equality & Diversity/Equal Opportunities Policy and Health and Safety;
- a commitment to ensuring access for all, to include an Access Statement;
- membership of a local tourism association; and
- a commitment to providing a distinctive Welsh experience.

What is eligible?

Eligible expenditure may include building work and fixtures and fittings for serviced self catering accommodation, and activity tourism businesses. For camping and caravan facilities, eligible expenditure may include electric hook up facilities, clubhouses, reception, leisure, signage, and toilet & shower block. Where the development refers to 'owner occupied' units, investment in leisure or environmental improvements is possible, but additional pitches and upgrades to those pitches are not eligible (unless the units in question form part of a visitor hire fleet).

Improving access for disabled persons, energy efficient investment, bilingual signage located on the property, improvements to infrastructure may be eligible but only if part of a more significant and quality investment project that will lead to an enhanced visitor experience and improved trading levels, employment growth and profitability. All assets must be owned by the applicant.

Support for Attractions will be towards visitor related facilities which can clearly demonstrate an improved visitor experience. Support is not available in areas where the

activity is in the main a local facility e.g. bowling alley, cinemas, Bingo Halls.

Project related fees (i.e. architect, project manager fees), not defrayed may be considered on merit. Working capital including expenditure on a business plan is not eligible for assistance.

NB – This is a capital investment scheme. It will not fund revenue costs.

Additionally, retail activity, the purchase of premises or caravan units, replacement assets, repairs and maintenance to building facades or roof replacements and improvements to public bar areas are not eligible costs.

Please note the above list is not exhaustive.

Making an application

To register an enquiry for financial assistance under this scheme you must first complete an Introductory Questionnaire (IQ), which is available from the address and telephone number noted at the bottom of this note. On receipt of your completed IQ (which represents an 'informal' enquiry only, not an application) we will determine your eligibility under the scheme, and any further information you need to provide at this stage.

If an application is invited, we will advise you of the information we will require in order to process your application, and send you the application form relevant to your circumstances.

Applicants are strongly advised, before incurring any significant costs, such as professional fees, to discuss their proposals with our staff in order to determine whether or not a project meets our priorities and eligibility criteria. It is unlikely that an application will be decided without planning permission being in place, and it is important that you note that any preliminary fees incurred or defrayed related to the project, such as planning application fees, before a decision on support is given, are not eligible for support.

Completed applications will be appraised carefully to ensure that public funds are being used effectively, efficiently and the project provides value for money. Decisions will be made as speedily as possible without prejudicing the need for proper financial prudence and accountability.

There are two application procedures depending on the eligible cost of the project:-

(1) Businesses where the level of support required is up to £25,000

A simplified application procedure applies for businesses seeking a minimum of £5,000 or £10,000 if your business is located in a convergence area as the Local Investment Fund (LIF) may be applicable. TISS will not normally be considered up to 25% of eligible project cost (subject to State Aid rules). This can be exceeded in exceptional cases.

Investment at this level will not be linked to employment, although existing businesses will be required to maintain existing employment levels. Those proposals with an employment output will be prioritised in the application process. You will also need to provide financial forecasts which include your project capital expenditure.

You will not normally be asked to provide a business plan, however if you do have a business plan in place it would be useful if this is included with any application.

(2) Businesses where the level of support required is above £25,000

If your project falls within this category you will need to provide a fully documented business plan including detailed financial projections, marketing and staff development plans.

Assistance is normally considered up to 25% of eligible project costs (subject to State Aid Rules) and is limited to £12,500 per full time equivalent job created/safeguarded, whichever is the lesser. Support above 25% can be considered on an exceptional basis. Assistance will be in the form of a grant/ or repayable grant up to a maximum of £500,000 per project.

When is the grant paid?

If an application is successful you will be sent an "Offer Letter" containing the terms and conditions of the grant offer relevant to your individual project.

After you have formally accepted the offer, you will be assigned a different contact who will be responsible for monitoring the progress of the project and, providing you with a TISS claim form and guidance on making a claim. The monitoring officer will also process your claims for payment and will deal with any changes that may occur during the life of the project. The grant is usually paid in instalments once you have met the explicit terms and conditions of the offer and in line with capital expenditure and employment targets.

This Guidance Note may be subject to change as the TISS scheme develops. Should changes occur they will be incorporated within a revised Guidance Note.

Further information is available from
Visit Wales by telephoning **0845 010 8020**
or emailing **tiss@wales.gsi.gov.uk**
