



A Guide to Grants

advice on sources of grants for
tourist projects

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BUSINESS
INFORMATION
LEAFLET

About this leaflet

The availability of grants and their eligibility criteria frequently change: new schemes are reported each month and existing initiatives withdrawn. Information about funding organisations and the type of grants available rapidly becomes out of date. There is no quick and easy way to find out if grants are available for your activities.

This leaflet is designed to guide you to sources of help and advice in your area. It does not intend to feature all the grants available but will help you to understand the current schemes of assistance. It provides practical advice on how to find your way through the system and what questions to ask.

What to consider before you start

Grant schemes exist among a vast array of programmes to help and support business. They are there not to subsidise an existing operation but to improve and develop new activity in a start-up or established business.

Applying for and securing a grant is no soft option. Each grant scheme will have a strict set of rules and objectives to encourage particular types of activity such as economic development, job creation or regeneration of a district. Consider carefully what you want to achieve with funding before you commence looking for sources. This will make the process of narrowing down potential funding agencies easier. Base your plans on sound commercial principles and not on the possibility of a subsidy, and only apply if it will enable you to develop your business in the way you want, not simply because the funding is there.

The way in which organising bodies approach grant schemes is becoming more and more refined and applications are not open to all comers, nor in all areas of the country.

Grants can be restricted by:

- ◆ Geographical area: to encourage employment or economic regeneration in areas that need development.
- ◆ Type of business: to diversify and widen the economic base.
- ◆ Size of business: to target larger firms which can create more jobs.

There are only a few specialist tourist funds so think laterally about the type of fund you could approach.

What people say ...

The Peterborough Green Wheel project is a new network of cycleways, footpaths and bridleways encircling the entire city and due for completion by the end of 2000. The 80 kilometre route links tourist attractions and nature reserves, picnic sites and sculpture trails, wildlife habitats and pocket parks, and passes pubs and village shops. It also features three purpose-built heritage centres celebrating Peterborough's history, culture and environment. There will also be up to 75 interpretive boards along the route, each telling a story from Peterborough's 3000 years of history.

Total cost is around £11 million, half of which comes from a grant from the Millennium Commission awarded in 1996 to the Peterborough Environment City Trust (PECT) which is co-ordinating the scheme. The remainder comes from sponsorship, donations and other grants. The Countryside Agency, for example, has joint-matched funding with PECT for an exhibition and local brochure, and for a feasibility study into the sharing of routes between horse riders and cyclists.

One of the overall objectives of the scheme is to help provide a sustainable transport system, with an overall target for Peterborough of 50% of all journeys within the city to be by foot or bicycle by 2000. The Wheel and its facilities are being strongly promoted by the city's tourism service, and are used to help market overnight accommodation, pubs, cafes and other tourist attractions.

The route has five links with the National Cycle Network and it hopes to attract private cycle hire centres. Two bicycle shops in the city have already started renting



Sources of grant aid

1 National or regional government agencies and regional government offices

Government at national and regional level has clear economic and social objectives. Programmes are devised to encourage businesses to achieve some of these objectives across a range of activity including: energy efficiency, rural regeneration, product and process innovation, business relocation, heritage, accessibility for disabled people and land reclamation.

Often the Government will announce its intention to support a particular activity and invite bids for funding from local authorities or public and private sector partnerships.

Tourism-related businesses are eligible for grant aid programmes provided by the following agencies:

The Countryside Agency Formed by the merger of the Rural Development Commission and the Countryside Commission in April 1999. Grants are available for innovative sustainable tourism projects which demonstrate good practice; they are mostly administered through the eight regional offices in England.

English Heritage Provides grants for the repair of outstanding buildings and offers advice to owners of historic properties on how to maintain them.

Regional Development Agencies Each RDA has identified areas of priority within its economic development strategy. While some of the funding schemes in place before the formation of RDAs in April 1999 (April 2000 for London) will run their course, in general the RDAs are moving towards a more holistic approach to awarding grants. In practice this means approaching them with a project and demonstrating that it fulfils the priority criteria.

English Partnerships Gives grants largely for the reclamation of derelict land, often in conjunction with the RDAs.

Business Links/TECs Business Links are business-led, one-stop shops offering business advice and support to industry. Business Links tailor the services they offer to the economic needs of their area, so priorities vary. While they are unlikely to award grants themselves, they can offer assistance in accessing other bodies.

Business Links work in close partnership with local authorities, Training and Enterprise Councils (TECs) and Chambers of Commerce. TECs offer grants to meet local training or business development needs. Ask about these when you visit the Business Link.

The Tourist Boards There is no national tourism development grant scheme in England. Regional Tourist Boards are a valuable source of advice on the business support available in your area and are often active in securing funding for programmes from the principal grant providers for tourism related businesses.

2 Local authorities

Local authorities may want to encourage tourism development to boost employment, diversify the local economy or regenerate an area in decline. They act as agents for, or partners with, national and European funding programmes and are one of the most likely sources of grant aid to small tourism businesses.

District, unitary and county councils offer a wide range of funding and advisory services which can benefit local tourism businesses. Some offer grants from their own resources or in partnership with Business Links, TECs and other agencies, and through European assisted programmes.

There are major variations in both how and where grant enquiries are dealt with. You cannot assume that grants and advice provided in one local authority are available in another.

3 Regional Tourist Boards (RTBs)

Like local authorities, RTBs act as agents for, or partners with, national and European funding programmes and are a useful signpost to sources of funding.

4 Charitable trusts

Charities and charitable trusts are potential sources of aid who in the main provide one-off capital grants to promote their chosen objectives such as public education, disabled access, employment and environmental conservation.

Grants are seldom available for commercial projects and often must be made by other charitable bodies, those operating on a non-profit basis or in the general public interest. You should apply to the charity in question for information on grant availability. A directory of grant-giving charities is available in most public libraries.

5 National lottery distributors

Only projects which promote the public good or charitable purposes and which are not intended primarily for private gain are eligible for lottery funding.

Some charitable trusts have been granted funding for large visitor attractions whose commercial viability is dependent on attracting high numbers of paying visitors. The central purpose of such projects remains charitable.

There are six lottery distributors: the Arts Council of England, the Sport England Lottery Fund, the Heritage Lottery Fund, the Millennium Commission, the National Lottery Charities Board and the New Opportunities Fund. Each will send an information pack on demand.

The most likely source of grants for tourism-related businesses are:

The Heritage Lottery Fund is able to make grants to conserve privately-owned property but applicants must prove that there is a public benefit.

The Sport England Lottery Fund gives grants of over £5,000 to non-profit making organisations for the development of sporting facilities which increase the number of people involved in sport.

The New Opportunities Fund is responsible for distributing grants for projects relating to the environment, including £125 million for green spaces and sustainable communities. This programme is to be launched early in 2000.

Awards for All is a joint programme set up to help local groups. It involves the Heritage Lottery Fund, the Arts Council of England, Sport England, the National Lottery Charities Board and the Millennium Commission. It distributes grants between £500 and £5000 to fund projects which involve people in their local community, bringing them together to mark or celebrate the Millennium. The programme will run until June 2000.

The national lottery operator Camelot also has a fund which provides grants for charitable purposes.

6 European Union (EU)

The EU provides substantial amounts of funding to England through its structural fund programme which is designed to reduce economic inequality between different regions of the EU. Programmes are currently being reviewed and are due to start in January 2000.

The EU uses its non-structural funds to assist a variety of funding programmes which deal with specific areas, namely research and development, culture, environment, health and education. However, these are likely to suit only large concerns as they must be made in partnership with at least two other EU countries.

All European Funds are channelled in the main through local government and regional agencies. These agree priorities and set up programmes to deal with issues in their area.

Small businesses can only gain access to European funds through established and agreed programmes. Your Regional Tourist Board will advise on those relating to tourism.

7 Other council departments

Structures of local authorities vary and although the majority of grants for tourism-related proposals have been covered, it is worth checking availability of grants from other departments. Key among these are:

- ◆ Environmental Health Department Grants for certain health/hygiene and safety improvements
- ◆ Highways Department Tourism signposting grant schemes
- ◆ Corporate/Leisure Services Departments Corporate grant initiatives eg short or seasonal programmes of flower planting, street improvements, lighting schemes etc.

How do I find further information?

Grant directories are available in libraries or in Business Links. For those with access to the Internet, the home pages of some of the grant-giving agencies and grant aid pages may be a useful source to keep you up to date with opportunities.

However, it might be easier to start with the tourism officer at your district or unitary council, or development manager at your Regional Tourist Board. Although they may not be responsible for the distribution of grants themselves, they will be able to give you the relevant contacts.

Some local authorities provide a one-stop shop service point and telephone number where you can obtain information on grant aid available throughout the council.

Good practice: Keep a checklist of relevant council officers or development managers and check current grant availability with them regularly, at least on an annual basis.

While there are only a few schemes which specifically target the tourist industry, tourism businesses may be eligible for other local authority schemes. Examples include:

Land and property-related grants (available from building services/planning/estates departments). Grant aid under this heading would typically include:

- ◆ Building improvement and extension grants
- ◆ Environmental and energy efficiency grants

- ◆ Grants for improving disabled access arrangements
- ◆ Grants for utilising redundant buildings.

Recruitment, training, marketing, equipment improvement grants (usually available from the Economic Development Department). Although they are few and far between, examples of the types of grants available under these headings include:

- ◆ Tourism marketing grants
- ◆ Feasibility study grants/loans
- ◆ Training grants
- ◆ Tourism business start-up/expansion grants
- ◆ Discretionary development grants
- ◆ Grants for business start-ups by unemployed people
- ◆ Development assistance for small and medium sized businesses.

Economic development departments within the local authority provide advice and services such as assistance with grant applications, grant search services and business advice clinics.

Where the local authority is promoting economic regeneration, tourist businesses should consider how their project could best meet goals such as: creating new businesses, generating employment, economic diversification, increased profitability, improved business performance, etc. Incentives may be offered to projects that meet these objectives.

What people say ...

Landlords Bill and Debbie Furnifer knew it would be good for business to convert and extend a disused building behind their pub into a skittle alley and function room. The region has many skittle teams and the Jack Russell Inn, near Barnstaple in Devon, was missing out on that trade, and a function room could also be used as a family room.

Total cost was in the region of £16,000, and the Furnifers applied to the Countryside Agency and the Regional Development Agency for 25% of the costs from each.

'It wasn't difficult to get the grants,' says Bill. 'Everyone thought it was a superb idea. The Countryside Agency even sent an advisor to help us fill in the forms, and we paid just half of the £75 charge. We had to wait for planning permission and bits and pieces, but the whole process only took about three months.'



How to apply? Putting forward a positive case

Grant aid or other forms of assistance are often discretionary, which means that even if your project fulfils the eligibility criteria, you are not automatically entitled to a grant. Your application provides the only opportunity to put forward the merits of your case.

There are, however, a number of basic rules of thumb to follow which may help to improve your chances of success.

Do

- ◆ Ensure that your business proposal meets the key eligibility criteria in terms of location and business type.
- ◆ Read and follow the application instructions and programme information.
- ◆ Make sure you have all the necessary paperwork from the grant-awarding body, eg application forms and background information.
- ◆ Be aware of the application deadline and timetable.
- ◆ Write legibly, type or word process if necessary.
- ◆ If in any doubt about application details, seek advice from the organisation in question.
- ◆ Be prepared to provide additional information on request, especially with larger schemes.
- ◆ Ensure that you provide any necessary accompanying information with the application. Do you require supporting statements from any other bodies?
- ◆ Take adequate time to prepare your application.
- ◆ Discuss your plans with a financial advisor or accountant.
- ◆ Make sure the project is consistent with local and regional tourism strategies.

Don't

- ◆ Apply for grant aid for which you are plainly not eligible – it can be a waste of valuable time.
- ◆ Certainly attempt to demonstrate that your proposals 'fit the rules', but do not exaggerate the potential benefits of the project – it may backfire on you.
- ◆ Supply unnecessary information with the application – stick to what is requested.
- ◆ Be tempted to take word of mouth as gospel on funding issues – check the facts yourself.
- ◆ Give money up front to 'grant finders'.

Do not forget!

- ◆ Eligibility does not mean automatic entitlement.
- ◆ The grant awarder's decision is usually final – there are seldom any appeal procedures.
- ◆ Assistance may be available with filling in the forms.
- ◆ Remember that you do have the option of saying no – many grants and loans have conditions attached. If certain targets or outputs are not met, penalties may be incurred or the finance clawed back.
- ◆ Be aware of the grant delivery and application mechanisms, eg is it first come, first served, competitive bidding, distinct bidding rounds?

Summary

- ◆ Explore all avenues in your search for assistance – grant-giving bodies and the mechanisms they employ are constantly changing.
- ◆ Be persistent in your search.
- ◆ Do not be put off by negative answers on the availability of assistance – the worst people can say is no!
- ◆ Be thorough in your research. Do your proposals meet the aims of the programme in terms of eventual outputs, eg employment generation, environmental enhancement?

What people say ...

Hartington Hall Youth Hostel was awarded a grant of £271,000 by the Heritage Lottery Fund to help to maintain the architectural heritage of the 17th-century building, pictured on the front cover.

The hostel will take 160 people in rooms of varying sizes, many with en suite bathrooms. It is an ideal base from which to explore the Peak District, and attracts groups, families and individuals.

The grant forms part of the final phase of a £1.6 million five-year refurbishment project, which includes a heating system which captures and recycles all waste air, so reducing fossil fuel consumption, emissions and cost. Occupancy is expected to increase from 55% to 65%, and the hostel is widely acknowledged to bring great benefit to the local economy.

'We would not have been able to do the whole job without the HLF grant,' says YHA director of regions Roger Gaffney. 'Carrying out repairs using the appropriate stone and so on is so important and so much better aesthetically, but in the past we have just had to make do.'

'However, the application process is very time consuming,' he warns. 'You have to demonstrate that you have carefully thought through every aspect of the building and its use, and call in the experts to advise on how it should look. The Heritage Lottery Fund were helpful, but it still took two to three years.'

This is the first time the YHA has received a Heritage Lottery Fund grant and work is due to start mid-summer 2000.

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What if grant aid is not available?

There are a number of potential alternatives:

- ◆ Ask yourself, is additional funding totally necessary in developing my proposals – can I manage without grant aid?
- ◆ Would a commercial loan be a viable alternative?
- ◆ Could I scale down my plans to allow them to be more feasible?
- ◆ Could I seek a partner to help fund my proposals?

Where to go from here ... further assistance

The information in this leaflet should serve as a reference point in your search for assistance. Self-help remains the key – follow the process correctly, be thorough in your approach and present a positive case in your application. You could succeed in giving your business a step up the ladder to continued success.

Contacts

Arts Council	020 7312 0123
Awards for All	0845 600 2040
Business Link Signpost line	0345 567765
Camelot	01923 425000
Countryside Agency	01242 521381
English Heritage	020 7973 3000
English Partnerships	020 7976 7070
Heritage Lottery Fund	020 7591 6000
Millennium Commission	020 7880 2001
National Lottery Charities Board	020 7747 5299
New Opportunities Fund	020 7211 1800
Sport England Lottery Fund	0345 649649

Regional Tourist Boards

Cumbria Tourist Board	015394 44444
East of England Tourist Board	01473 822922
Heart of England Tourist Board	01905 763436
London Tourist Board	020 7932 2000
Northumbria Tourist Board	0191 375 3000
North West Tourist Board	01942 821222
South East England Tourist Board	01892 540766
Southern Tourist Board	01703 620006
West Country Tourist Board	01392 425426
Yorkshire Tourist Board	01904 707961

Contact details for your Regional Development Agency, TEC and Chamber of Commerce are in the phone book.