

APPROACHING BANKS & OTHER FUNDERS FOR TOURISM BUSINESSES WEBINAR

This webinar was delivered as part of Tourism NI's Tourism Enterprise Development (TED) Programme by Feargal McCormack, Managing Director of PKF-FPM. Following the session Feargal and his team kindly provided responses to a number of industry questions received during the webinar. Please find responses below with some additional input from Tourism NI.

Questions and Responses

1. If you need/want to keep suppliers on board, how do you meet their credit terms?

Communication will be key – it is important to talk to suppliers and outline your current position. They will want to keep your business, so be honest and try to agree payment plans going forward. If necessary, look at bounce back loans etc. with your bank and carefully manage your cashflow. You will want to keep a healthy relationship with your suppliers so they remain with you in the years to come.

2. What should you do if you don't have funds to pay an advisor to prepare cash flows and proposals to take to the bank?

If you can afford to pay an advisor this would be recommended, however there are supports available for businesses in order to help with these, for example Intertrade Ireland provide help with preparing business continuity plans and cashflow projections. If you are an Invest NI client approach your client executive or business advisor as they may be able to help. A cashflow template and model is also available here:

3. If you originally applied for the Coronavirus Business Interruption Loan scheme, but the terms of the Bounce Back Loan scheme are more favourable for your business, what can you do?

The good news is, if your loan is up to £50k there is an opportunity up until the 4th November 2020 to transfer that loan to the business bounce back scheme if the terms are more favourable for you. To note, you cannot have a loan in both schemes – it must be one or the other. The bounce back scheme has very favourable terms with a fixed interest rate of 2.5% no repayments capital or interest during the first 12 months.

4. Is the application for the bounce back scheme difficult to complete?

It is a straight-forward standard form with around 7 questions to essentially self-certify that you meet the criteria for the loan. If you are successful, the funds will be in your account as quickly as 48 – 72 hours. You do need a business bank account and to be an existing client of the bank you are applying to.

5. When applying for the Coronavirus business interruption loan scheme are banks asking for projections and proposals?

Yes, banks are asking for a bank proposal along with set of projections when applying for this loan. This may depend on your relationship with the bank, how much the bank knows about your business, historic performance and how much you wish to borrow.

If you wish to impress the bank it would be recommended to provide a concise bank proposal and businesses projections along with your application.

6. Which banks can I apply for a Bounce Back Loan through?

There is a list on the British Business Banking website of lenders who are participating in the scheme. AIB, Danske, Ulster Bank, Barclays, HSBC, Co-Op are all participating among others. Most major funders/financial institutions are likely to become part of this scheme. In general, you must be an existing customer to avail of this loan.

7. Has Tourism NI any thoughts on support for businesses who want to capture the staycation market i.e. Caravan/motorhome/camping facilities?

Tourism NI will shortly be sharing detailed research on the domestic market and recapping on the GB and ROI Markets. The main focus and priorities will be to maximise opportunities from these closer to home markets.

Tourism NI will also be rolling out a recovery marketing campaign in the coming months, when the time is right, with a focus on the staycation market. More details on the campaign and how to make the most of this for your business will be shared in due course.

8. Is there any match funding available from Tourism NI e.g. for Caravan & Camping or Experience offerings?

In relation to funding, Tourism NI does not have any budget or open schemes to provide financial assistance directly to the industry.

The main focus of the government response in terms of financial measures to date has been on an emergency response with UK wide measures such as JRS and SEISS etc. and the NI specific measures such as rates holiday and grants (tailored for NI).

We are however, similar to all other public sector organisations, working through a process with our Department to agree budgets and targeted measures to support recovery. All of these asks across the various sectors in NI are currently being reviewed. Tourism NI has made the case that the tourism sector has been hit hardest and fastest and we have been collecting significant data over the past number of weeks to strengthen the evidence base for this including our recent survey, ongoing engagement with our industry and work with industry representative organisations.

The recently established Ministerial led Tourism Recovery Steering Group will be essential in delivering a route map for recovery, and identifying those areas, including financial assistance which will be critical to tourism recovery.

*Delivered as part of the Tourism Enterprise Development (TED) Programme
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