

Islands business resilience fund

Frequently asked questions

Version 6 – 1 September 2025



Highlands and Islands Enterprise
Iomairt na Gàidhealtachd 's nan Eilean

Question	Response
What is the total value of the fund available?	It is £4.4m.
When can I apply?	12 noon Wednesday 2 July 2025 to 12 noon on Monday 15 September 2025
What will happen after I apply?	• 2 July - Launch of applications to fund • 2 July to 15 Sept - Processing of applications • 15 Sept - Closure of applications to fund • 15 Sept - Decision making commences • 15 Sept to 31 Oct 2025 - Payments to eligible applicants
What will be the value of grant available?	Depending on demand, we expect awards to range between £3000 for smaller organisations to £35000 for larger organisations.
Is the Fund first come first served?	No. If you meet all the eligibility criteria and HIE Terms and Conditions then you will be awarded a share of the fund.
How will the value of grant be decided?	After the programme has closed, awards will be based on demand and the size of organisations that apply for support. We expect awards to range between approximately £3,000 and £35,000
When will payments be made?	No payments will be made until the closing date for applications has passed. The final date for submission of applications is 15 September 2025 and we expect decisions to be made at the earliest opportunity after the closing date. We expect to make any final payments by 31 October 2025.
What islands are included in the fund?	Arran, Benbecula, Berneray, Colonsay, Eriskay, Grimsay, North Uist and South Uist
How were the eligible islands selected?	The fund is designed to support island organisations who have suffered the most disruption in terms of cancellations to their ferry services over the past 3 years. HIE staff carried out detailed analysis of data provided by Scottish Government. The data was based on information and statistics provided by Transport Scotland and CalMac relating to the ferry disruption. Average disruption to ferry services across the CalMac network is around 6-7%. However, some islands have experienced much higher than average disruption (15% or more): South Uist, Colonsay, North Uist, Eriskay, Benbecula, Berneray, Grimsay and Arran. Therefore, these islands were selected for support.

What are the eligible sectors?	Eligible sectors are: • Retail outlets including retail sales in stalls, markets etc. • Cafes, restaurants and other eateries • Hotels, B&Bs and other accommodation providers e.g. youth hostels, campsites • Visitor attractions including museums, art galleries, indoor/outdoor leisure facilities and events. • Taxi, bus, cycle and other land-based transport operators • Tour operators and guides, including guides offering bespoke experiences such as retreats, small boat tours, whale watching, fishing etc. • Processing/manufacture of perishable food and drink items e.g. fresh seafood (this excludes alcoholic drinks) Transport and storage of perishable food and drink items e.g. fresh seafood (this excludes alcoholic drinks)
How were the eligible sectors selected?	The funding focuses on the sectors most affected by disruption and therefore businesses where resilience funding will make the most impact going forward. Intelligence was gathered from industry groups and the wider business sector.
What types of organisations are eligible?	All types of businesses, social enterprises and community organisations who meet the eligibility criteria may apply.
I am self-employed, do I count myself as an employee?	Some clarity around self-employed/partnerships and employee numbers: If you are a sole trader or partner, you are not an employee and cannot class yourself as such - see https://www.gov.uk/employment-status/selfemployed-contractor. However, self-employed people can have employees. Therefore, if you are a sole-trader or self-employed you are NOT an employee. They are completely different in terms of legal and tax status. A sole trader cannot classify themselves as an employee of their own business. As a sole trader, you are the business, and you are self-employed for tax purposes. This means you don't have an employer-employee relationship with your own business. Instead, you pay yourself through personal drawings from the business profits. Here's why: - Sole trader = self-employed: when you register as a sole trader, you are essentially registering yourself as self-

	employed. Your business and you, as an individual, share the same legal and tax status. - No employer-employee relationship: you don't have a separate employer entity that pays you a salary or wage. - Drawings, not salary: you pay yourself by taking ‘drawings’ from the business profits, not through a traditional salary or wage. - Tax implications: your income tax and National Insurance contributions are calculated based on your business profits.																		
How do I calculate annualised employee numbers?	For your application, we request details on your average annual employee numbers – your full time equivalent (FTE) information. Employee numbers will depend on the number of hours worked by each individual. A full time equivalent (FTE) post is 30 hours minimum but could be 35 to 40 hours according to your organisation’s normal working hours. For part-time staff year-round add 0.5 of a post and the same for full-time seasonal. For part-time seasonal staff count 0.25. e.g. The business has 1 full-time member of staff, 4 full-time seasonal staff and 1 part-time seasonal member of staff. The calculation would be as follows: <table><tr><th>Employee work pattern</th><th>No. of staff in each category</th><th>FTE</th></tr><tr><td>Full-time (1 FTE)</td><td>1 (1x1)</td><td>1</td></tr><tr><td>Part-time (0.5 FTE)</td><td>0 (0x0)</td><td>0</td></tr><tr><td>Full-time seasonal (0.5 FTE)</td><td>4 (4x0.5)</td><td>2</td></tr><tr><td>Part-time seasonal (0.25 FTE)</td><td>1 (1x0.25)</td><td>0.25</td></tr><tr><td></td><td>TOTAL FTEs</td><td>3.25</td></tr></table>	Employee work pattern	No. of staff in each category	FTE	Full-time (1 FTE)	1 (1x1)	1	Part-time (0.5 FTE)	0 (0x0)	0	Full-time seasonal (0.5 FTE)	4 (4x0.5)	2	Part-time seasonal (0.25 FTE)	1 (1x0.25)	0.25		TOTAL FTEs	3.25
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I am self-employed but I also have a job working for another business. I earn more from my other job- can I apply?	No. Self-employed individuals may only apply if their income from self-employment is more than any other income (including pensions). For example, if you receive an annual pension of £30k and you earn £22k from running a B&B you cannot apply as your main income is your pension and it is more than your income from your B&B.																		
I’m self-employed. For my turnover figure.	Self-employed applicants must detail the income figure, from their self-assessment return for 23/24. as declared to																		

what evidence do you require?	HMRC in January 2025. The income/turnover figure includes the takings, fees, sales, or money earned by your business. Self-employed applicants must also upload a HMRC download of their final self-assessment return (this should be the full assessment document) showing their Unique Tax Reference (UTR) number and total income generated.
I am a Partner in a business. What information do I need to provide?	Independently prepared annual accounts for the partnership OR a download of the final partnership return as submitted to HMRC (this should be the full assessment document). If annual accounts are submitted then a document from HMRC showing the Partnership UTR number is required, not necessarily the full return.
I own multiple businesses in eligible sectors in eligible islands, can I make an application for each?	An application can be made for each individual trading entity, if they meet the specified criteria.
I was a sole trader, but only recently became a limited company. How do I apply?	An application can be made as your current entity. However, evidence of your trading as a sole trader, prior to 1 April 2024, should be provided.
I had to close my business. Can I still apply?	No, you must be trading and intend on continuing to trade in the eligible sectors for the next 12 months.
What are the obligations and the obligation period.	The obligations are contained in HIE's terms and conditions which you will need to agree in order to receive the grant funding. You will need to comply with the obligations for one year (the obligation period).
What is a registered address?	A registered address is the official, legally registered location of a company or LLP (Limited Liability Partnership), used for official correspondence from Companies House and other government bodies. It must be a physical address in the country of incorporation (England, Wales, Scotland or Northern Ireland) and is publicly available.
What is a trading address?	A trading address is the physical location where a business carries out its day-to-day operations and receives correspondence. It's the address where the business operates from and where customers, suppliers and other contacts can find the business. This could be a commercial property like an office or shop, or even a home address if the business is run from there. Unlike registered addresses, trading addresses do not have to be made publicly available.

How do I apply?	Please apply through the online application form https://www.hie.co.uk/support/browse-all-support-services/islands-business-resilience-fund-2025/ Fund will be open until 15 September 2025 at 12 noon. To apply you need to be an organisation trading out of one of the eligible islands and in an eligible sector. You will need to provide: • evidence of turnover – this could be annual accounts or for self-employed, the HMRC download of the final self-assessment return (this should be the full assessment document) that you submitted as part of your last tax return (end of January 2025) • for self-employed applicants, the HMRC download of the final self-assessment return (this should be the full assessment document) that you submitted as part of your last tax return (end of January 2025) showing your Unique Tax Reference (UTR) number • recent bank statement – clearly showing account name, account number and bank sorting code. Award decisions are expected to be made at the earliest opportunity after the closing date with all award payments made by 31 October 2025.
How will I know what is happening?	On submission of your online application form, you will see an on-screen confirmation message. You will later receive an acknowledgement email from a member of the HIE team within 10 days. Your application will then be assessed and decisions made at the earliest opportunity after the Fund closes on 15 September 2025.
Is there an appeals process?	There is NO appeals process. We are unable to consider a complaint purely relating to dissatisfaction as to the outcome of a funding decision. However, if you have identified a specific process failure relating to your application then you may wish to make a formal complaint. See our formal complaints process for more information.
I am not eligible; what help is there for my business?	Contact your local Business Gateway office. Business Gateway is the universal business support service across Scotland [Business Gateway Business Gateway]. Support can also be accessed on the Find Business Support website which lists support available from the public sector. See your options for grants, funding, advice, help, events and more – all in a single location [https://findbusinesssupport.gov.scot/]

Are Female Led Organisations more likely to receive funding through the programme?	No, the reason for asking the question regarding female ownership is for gathering of information only.
We are a small retail business and I sell the majority of my products online, am I eligible?	No, you must generate at least 50% of your turnover from one or more of the eligible sectors on one or more of the eligible Islands.
My husband and I jointly own a holiday let. We split the income between our 2 separate businesses, both earning less than £22k. Can we apply to the fund?	No. Each individual trading entity must generate at least £22,000 turnover in their last accounting period.
Has an Island Communities Impact Assessment been carried out in relation to the Islands Business Resilience Fund?	Yes. Scottish Government have completed and published an Island Communities Impact Assessment, please see link for full document - 1. What are the aims, objectives and impacts of the Fund? - Islands business resilience fund: island communities impact assessment - gov.scot