Scottish Tourism Emergency Response Group (STERG)

STERG Sector Update Session
Wednesday 10th August 2022

Present:

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<td>VisitScotland</td>
<td>Rob Dickson</td>
<td>Scottish Government</td>
<td>Jonathan Ferrier</td>
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<td>Association of Scotland’s Self-Caterers</td>
<td>Fiona Campbell</td>
<td>Scottish Tourist Guides Association</td>
<td>Kenneth Bramham</td>
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<td>Association of Scottish Visitor Attractions</td>
<td>Gordon Morrison</td>
<td>UKHospitality (Scotland)</td>
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<td>Historic Houses Scotland</td>
<td>Andrew Hopetoun</td>
<td>Scottish Tourism Alliance</td>
<td>Mhairi Smith (minutes)</td>
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<td>Hostelling Scotland</td>
<td>Margo Paterson</td>
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Apologies:

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<td>British Amusement Catering Trade Association</td>
<td>John White</td>
<td>Scottish Country Sports Tourism Group</td>
<td>Chloe Forbes</td>
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<td>British Holiday &amp; Home Parks Association</td>
<td>Jeanette Wilson</td>
<td>Scottish Guest House and B&amp;B Alliance</td>
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<td>Discover Scotland’s Gardens</td>
<td>Dougal Philip</td>
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<td>Sail Scotland</td>
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<td>Scottish Agritourism</td>
<td>Caroline Millar</td>
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<td>Karen Christie</td>
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Key Notes & Actions

1. Update from Rob Dickson, VisitScotland

- In a relatively short space of time the main economic challenge and discussion has become focused on the rising cost of living issue, which is causing great concern and is looking to become a significant threat to businesses in terms of profit and the ability to operate.
- Autumn period does not appear to be projecting any confidence with a drop in visitor bookings – there are some signs of bookings in September and a little bit of activity over half-term, but nothing that builds significant confidence.
- VisitScotland iCentres traffic has increased - whilst not that the same level as 2019 it is certainly a huge improvement on the past 2 years.
- Skills Development Scotland (SDS) had funding through year 1 of the STERG programme from government to work on a plan for Destination Net Zero climate change issues. Consultants have now presented the plan back to VisitScotland who feel the plan is significant and will make a difference to business. VisitScotland will make this available within the next couple of months – the plan will set out a strong medium-term approach in terms of how we work with businesses, sectors, and destinations.

2. Sector Feedback and Comments

Scottish Tourist Guides Association, Kenneth Bramham

- Tour bookings still coming in but signs of bookings slowing down slightly in September & October.
- Bookings for walking tours & cruise business are still steady but sliding off towards the Autumn
- Decrease in fuel prices has been welcomed by driver guides.
- Members have highlighted cost of living crisis as being a main concern – KB would like to see more UK government action on price caps to help businesses.

Historic Houses Scotland, Andrew Hopetoun

- Starting to see a decline in visitors especially family visits and secondary spend – this could be early signs of families spending less on leisure activities.
- Historic Houses is seeing a decline in family membership being taken up.
Scottish Tourism Emergency Response Group (STERG)

- Recruitment remains challenging at all levels.
- Hopetoun is seeing a reasonable level of demand due to the Edinburgh Fringe and good weather.
- Wider events business still has good demand (pick up form last 2 years). Looking forward the recession will have an impact on people whether it is private or public events.
- Will be a weak year on the visitor attraction side largely due to costs and because of the shoulder months not being as strong as they could have been.

Association of Scotland’s Self-Caterers Fiona Campbell
- ASSC larger properties beginning to suffer, due do family spend and not picking up the late availability.
- Starting to see a drop off over all in bookings in the shoulder months.
- Smaller operators in rural areas deciding to close over winter due to rising costs.
- Local authorities are now implementing policies that are directly affecting the ASSC members for example Edinburgh looking at a no self-catering in a tenement block policy and large increases of licencing fees in Argyll. This is now causing real problems that are directly affecting livelihoods with the result that owners are moving away from the short term let business.
- Report attached giving further insight.
- RD recognised the issue and advised that a date was being established for it to be discussed at the IAG (Industry Action Group). RD also raised the concern of the ripple effect on other hospitality and tourism sectors.

Hostelling Scotland, Margo Paterson
- Good July and August is promising.
- Huge concern over rising costs especially utilities and the fluctuation on the cost of materials
- Overseas visitor numbers are increasing, and groups are coming back for September which is positive.
- Recruitment continues to be a challenge on all levels.

Association of Scottish Visitor Attractions, Gordon Morrison
- Visitor attraction numbers are up but regardless of this the increase of costs impacts any benefit of the increased visitor numbers.
- There is not enough understanding of the cost of running a visitor attraction within the government.
- ASVA will run a survey on the impact of cost increases, but anecdotally other concerns have been raised already this in turn will likely result in a lack of investment.
- Days Out campaign snapshot: 56% of the sector would be fully open, 21% partially open. For those not planning on opening the primary concern was lack to visitor volume then staffing and cost challenges.
- 45% would participate in the Days Out campaign & 34% might participate.

UKHospitality (Scotland), Leon Thompson
- Staffing challenge has been eclipsed by energy costs.
- No energy cap for businesses so impossible to plan effectively.
- Positive impact of the Festival for Edinburgh accommodation but clear drop in September raising concerns for the Autumn.
- Interest rate rise will impact companies with debt and the July survey figures showed that 2/3 of the businesses would not make a profit this year.
- Tuesday 16th August will be the one-year countdown to the introduction to the Deposit Return Scheme. Worth reminding all members the potential impact of this scheme.

3. Meeting Close
- RD thanked everyone for their updates noting that it was extremely helpful to understand the challenges being faced.
Next Meeting
The next meeting is scheduled for Wednesday 24th August 9.00am-9.30am.