Scottish Tourism Emergency Response Group (STERG)

STERG Sector Update Session
Wednesday 13th January 2021

Present:

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<td>Association of Scottish Self-Caterers</td>
<td>Fiona Campbell</td>
<td>Sail Scotland</td>
<td>Alan Rankin</td>
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<td>Association of Scottish Visitor Attractions</td>
<td>Gordon Morrison</td>
<td>Scottish Agritourism</td>
<td>Caroline Millar</td>
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<td>British Amusement Catering Trade Association</td>
<td>John White</td>
<td>Scottish Tourism Alliance</td>
<td>Karen Christie</td>
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<td>British Holiday &amp; Home Parks Association</td>
<td>Jeanette Wilson</td>
<td>UKHospitality (Scotland)</td>
<td>Willie Macleod</td>
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<td>Discover Scotland’s Gardens</td>
<td>Dougal Philip</td>
<td>VisitScotland</td>
<td>Riddell Graham</td>
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<td>Hostelling Scotland</td>
<td>Margo Paterson</td>
<td>WildScotland</td>
<td>Victoria Brooks</td>
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<td>Independent Hostels</td>
<td>Gregor Barclay</td>
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Apologies:

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<td>Historic Houses</td>
<td>Andrew Hopetoun</td>
<td>Scottish Golf Tourism Development Group</td>
<td>Stuart French</td>
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<td>Night Time Industries Association</td>
<td>Donald Macleod</td>
<td>Scottish Tourist Guides Association</td>
<td>Kenneth Bramham</td>
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<td>Scottish Country Sports Tourism Group</td>
<td>Rory Kennedy</td>
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Key Notes & Actions

1. Introduction
Riddell Graham outlined the background to the meeting.

The results of a STERG survey at the end of last year highlighted that a stronger relationship between STERG and Sector organisations was required. The purpose of this meeting is to:

- Listen to the concerns of Sector leads and escalate to STERG / Scottish Government
- Update Sector leads on STERG activity

2. STERG Update

- Funding
  - Funding support is the primary focus of STERG partners.
  - Although the funds were announced on 21st December, only the value of the funds at that point were known, the criteria and application processes had not yet been defined.
  - Many of the sector leads attending this meeting have been closely involved in shaping the criteria for the funds.
  - VisitScotland are administering 9 funds, this was only agreed on 21st December. Since then VS have been working with Sector leads to agree the eligibility criteria.
  - Numerous concerns have already been raised about the Strategic Framework Business Fund (SFBF) these have been captured and passed on to the Scottish Government for clarification.

- Marketing Budget
  - A bid from VisitScotland for additional funding in the current financial year was rejected. However £1.2m was secured for a Sector / Destination fund.
  - The Sector / Destination fund is an operational and market readiness fund, **not** a marketing fund. It is to ensure organisations are in the best possible place when ready to market. This fund is likely to be launched ahead of the other funds as it is a paper based application process. An announcement is expected next week.
  - VS will submit a further bid for additional funding for FY21/22, this will include a fund for Sector /
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Destination marketing.

- **STERG Industry Survey**
  - The STERG COVID-19 Industry impact survey launched on 19th November and closed on 6th December.
  - The research aimed to track the ongoing impact of COVID-19 on the Scottish tourism industry and provide STERG with insightful information about current and future industry support needs.
  - An industry webinar will be held at the end of January (27th TBC) to share the findings.
  - Data can be broken into geographical areas and Sectors if the sample sizes are robust.

- **5 Year Tourism Recovery Plan**
  - Scottish Government have asked STERG to produce a 5 year recovery plan for industry. This plan will be critical to supporting the case for tourism recovery and will be instrumental to securing the necessary future funding. It is intended that this plan will outline a significant request for additional resources that go far beyond the current funds which are intended to address immediate business survival.
  - The Recovery Plan will be discussed and progressed at the next STEREG meeting on 14th Jan.

3. Round Table Update
Sector leads provided an update on the concerns and key issues impacting their sector for escalation to STERG.

**Dougal Philip – Discover Scotland’s Gardens**
- Marketing is the key focus for Discover Scotland’s Gardens and therefore future VS marketing plans are of most interest.

**Fiona Campbell – ASSC**
- Exclusion of Self-Catering from the Hospitality, Retail and Leisure Top Up grants announced on 11th January. The announcement of this fund has caused significant confusion. Urgent clarification is sought.
- Confusion over the one-off grants for level 3 island businesses announced by the FM on 12th January. Urgent clarification is sought.
- Short Term Let legislation – goes to committee on 27th January. It is critical that this legislation does not proceed.

**Gregor Barclay – Independent Hostels**
- The announcement about the January top up fund for Hospitality, Retail and Leisure businesses is a mess and has caused confusion.
- Hostel sector in the UK are looking at trying to rewrite the UK Hospitality Guidelines for running and reopening Hostels. Current guidelines don’t cover how most hostels operate. The intention is to present something to VisitScotland and UKHospitality over the coming weeks. All Hostelling organisations across the UK will work on this.
  *It was noted that to progress the Hostel guidance Gregor Barclay is to contact Willie Macleod directly.*

**Jeanette Wilson - British Holiday & Home Parks Association**
- Main concern for the Parks is the future plan to move on from where we are now.

**Gordon Morrison – ASVA**
- Clarity is required on who is eligible for the Hospitality, Retail and Leisure Top Up grants. It has been assumed that those eligible for the Strategic Framework Business Fund (SFBF) would also be eligible for the top up grant, if so that would include indoor attractions but exclude outdoor attractions and those attractions that have a combination of indoor and outdoor space as they are not mandated to close but
have no footfall. Scottish Government Tourism Officials have been asked to clarify but no response has been received so far. It is hoped if not eligible for the Top Up grants then should be eligible for the Business Restrictions grant, it was noted however that visitor attractions were not eligible for the Business Restrictions grant as part of the SFBF when it was launched in October.

- Additional rescue funding for the Visitor Attraction sector is required. The new £5m fund is a tiny amount of money which will not save businesses as intended. Initially this fund was to help businesses survive until March 2021 however it is increasingly likely that the tourism season will not return until summer. A letter has been sent to the Cabinet Secretary requesting additional rescue funding, no reply has been received yet.

Willie McLeod – UKH (Scotland)

- The premise for the Hospitality, Retail and Leisure Top Up Grant when it was announced pre-Christmas was to address businesses who had fallen through the cracks. During the first lockdown last year, hospitality businesses with a RV >£51k were not eligible for grant support. This Top Up grant is intended to address this gap in funding support.
- Concern about how the Tourism sector positions itself for recovery support post-election in May when it is unclear who the Ministers or Civil Servants will be.
- There is an urgent need for additional money across all sectors of Tourism, clarification is required on whether the £375m announced by UK Government is or is not new money. This is being pursued with the Scottish Government and opposition politicians.
- Confirmation is required that the Tourism Task Force Recommendations will feature heavily in the Tourism Recovery Plan.
  
  *Riddell Graham confirmed that the Tourism recovery Plan would capture the Task Force Recommendations.*

Alan Rankin – Sail Scotland

- Sail Scotland welcomes the new Sector fund.
- Disappointed that the bid for additional VS Marketing funds for this year was rejected. Marketing support funds are critical to building the pipeline of demand.
  
  *Riddell Graham advised that as soon as VS have clarity on their budget for next FY a partnership fund with Sector and Destination organisations and will be formed to support Marketing activity.*
- Seasonal businesses are being disadvantaged as their access to grant funding has been limited. Summer seasonal traders would feature at the bottom of the rankings for total funding received.
- The definition of Tourism and Hospitality needs to be explored further as we move forward into the Recovery Plan. Currently there are many definitions being used and this is causing confusion and frustration.
  
  *In addition it was noted that there would be merit in exploring the construct of the Tourism industry and the businesses that make it up as it is clear from the pandemic that every business is different and one size does not fit all.*

John White – BACTA

- BACTA represents the amusement machine sector, amusement arcades, manufacturers and suppliers of juke boxes, fruit machines, pool tables to pubs and clubs etc. throughout the UK.
- Supply chain continues to be forgotten across all 4 nations. Businesses supplying machines to pubs & clubs have received nothing since April last year, they are just as badly affected as the pubs and clubs they supply, they have no other outlets for their product and they are haemorrhaging £ks per week, no grant support or rates relief has been received only access to is CJRS. The supply chain is important for recovery, if it’s not there the economy will struggle to get going again.

Victoria Brooks – Wild Scotland

- Businesses in the Outdoor sector who are open at this time of year (c.40%) are unable to apply for the SFBF as they do not have business premises. This is a key issue which has been raised over the last week.
Sustainable workforce in the Adventure tourism sector is a real concern particularly in rural areas and the islands. As an example, day trip boat operators are hoping to open in early May and they will contract self-employed guides who are highly experienced and highly trained, there is serious concern about the availability of these guides.

Based on the timeline for the vaccination rollout, there is concern from the Adventure sector that older customers who may have been vaccinated will be mixing with younger guides who will not yet have been vaccinated – this could have a negative impact on businesses such as activity providers in the summer.

There is concern that the marine sector is not well understood by the Scottish Government. Further education is required to ensure a better grasp of how the sector operates and why it is different from other sectors.

Marketing is incredibly important for the Sector, we need to look forward to 2022 and particularly bringing back our international markets.

Concern that the £2.5m Outdoor fund will be heavily oversubscribed and further funds will be required.

Margo Paterson – Hostelling Scotland

- Hostelling Scotland welcomes the new fund that was announced pre-Christmas and acknowledged that it was good to see Hostelling recognised as a sector. The £2.3m fund however is not nearly enough, this might keep some small operators going until April but more money is required urgently.
- Hostelling Scotland welcomes the opportunity to work with VS on Marketing to raise the profile of Hostelling.
- Throughout the pandemic the Hostelling sector has not been able to operate in the normal sense of hostelling, i.e. shared spaces, the sooner the sector can agree with the Government a safe way of operating shared spaces, the sooner the sector can begin to generate income.
- The International market is a huge concern as c.40% of guests are traditionally international
- Further information required on the 5 Year Tourism Recovery Plan such as timescales and potential scale of funding or support required.

It was noted that the intention is to deliver the Recovery Plan as quickly as possible and the Scottish Government are providing resources to do that. Timing is critical as it forms the basis of the bid for new funds. The Recovery Plan will be discussed further at the STERG meeting on Thursday 14th.

Caroline Millar – Scottish Agritourism

- A summary of the key issues raised by Agritourism businesses at a meeting on 6th January has been forwarded to STERG. It was noted that these issue have been forwarded to SGov for a response.

Key issues included for example:
- Anomalies on rateable values – how a rates assessor has chosen to rate your business affects the outcome of the grant you receive. Unfair discrepancies between smaller and larger businesses.
- Furlough eligibility criteria needs to be amended to allow people who were recruited in October 2020 or after to be furloughed

It was noted that UKH have been raising furlough anomalies with the UK Treasury for months and unfortunately some still do exist.
- The time and effort required to support a sector, as the sector lead organisation in this very difficult time, should not be underestimated and support will be required from the Sector / Destination fund.
- Clarity of communication is essential when announcing new funds. Lack of clarity leads to confusion, frustration and upset for businesses.

Kenneth Bramham – Scottish Tour Guides Association (Comments Received Post Meeting)

- Tour guides have not been specifically mentioned in any of the new funds announced pre-Christmas. Confirmation required on whether Tour Guides will fall into the International Inbound Operators / Coach Operators / Domestic Tour Operator fund being administered by VS.
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- A number of our guides received no financial support from the self-employed packages when they were announced. A number who qualified in 2018 would have had low average earnings in the 2018-19 tax year and a number who qualified this year will not have had a tax return for 2018-19 as they were not self-employed. From this I believe a significant proportion of our members have “fallen through the net” and may have needed to apply for Universal Credit if indeed they were eligible.
- Revenue has been severely impacted due to reduced subscription fees and no bookings in 2020. Overhead costs continue and recruitment and training costs have increased due to COVID restrictions. The organisation faces a dire financial situation.

4. Additional Comments
- Good to Go scheme now has over 7,200 Scottish businesses registered. If required, a Sector breakdown can be provided by VisitScotland, for example the number of businesses signed up within a Sector.

Following a call with the other National Boards and it is expected that the Good to Go scheme will continue for another 3 months, potentially 6 months.

**Action:** Sector leads to advise Riddell Graham if a Sector breakdown of the Good to Go database is required.

- STERG is a good channel for Sector issues to be raised. STERG can ensure the issues get to the right people and that the right answers are sought.

- The need for proof of vaccination / vaccination passport will be a common issue across the industry to ensure safe travel, safe working environments, safe customers and safe staff. A collective approach to this would be beneficial and prevent different sectors doing their own thing.

**Action:** Riddell Graham to raise at STERG

5. Next Steps
- Meeting notes to be shared with STERG at the next meeting on 14th January and every effort will be made to address the issues and concerns that have been raised.
- Vicki Miller to attend next meeting to provide a VisitScotland Marketing update and to share her plans for working with the Sectors.
- Sector leads to advise Karen Christie of any future agenda points.

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Next Meeting
Wednesday 27th January, 9.00am-9.30am