Scottish Tourism Emergency Response Group (STERG)

STERG Sector Update Session
Wednesday 27th January 2021

Present:

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<tr>
<td>Association of Scottish Self-Caterers</td>
<td>Fiona Campbell</td>
<td>Scottish Country Sports Tourism Group</td>
<td>Rory Kennedy</td>
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<td>Association of Scottish Visitor Attractions</td>
<td>Gordon Morrison</td>
<td>Scottish Golf Tourism Development Group</td>
<td>Stuart French</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>Discover Scotland’s Gardens</td>
<td>Dougal Philip</td>
<td>Scottish Tourist Guides Association</td>
<td>Kenneth Bramham</td>
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<td>Historic Houses</td>
<td>Andrew Hopetoun</td>
<td>UKHospitality (Scotland)</td>
<td>Willie Macleod</td>
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<td>Independent Hostels</td>
<td>Gregor Barclay</td>
<td>VisitScotland</td>
<td>Riddell Graham</td>
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<td>Sail Scotland</td>
<td>Alan Rankin</td>
<td>VisitScotland</td>
<td>Vicki Miller</td>
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<td>Scottish Agritourism</td>
<td>Caroline Millar</td>
<td>WildScotland</td>
<td>Victoria Brooks</td>
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Apologies:

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<td>British Holiday &amp; Home Parks Association</td>
<td>Jeanette Wilson</td>
<td>Night Time Industries Association</td>
<td>Donald Macleod</td>
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<td>Hostelling Scotland</td>
<td>Margo Paterson</td>
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Key Notes & Actions

1. Funding Update

- Sector and Destination Operational and Market Readiness Fund
  - Live from midday Monday 18 January until 5pm on Tuesday 26 January
  - £1.2m fund, up to £50K maximum award available
  - Over 80 applications received, c. 25-30 ineligible as have not met the criteria
  - Applications assessed as they come in by the assessment team. Once assessed they are passed to the panel for final decisions.
  - An appeals process is in place. Appeals will be handled by individuals who have not been part of the process.

- Other funds administered by VS
  - Thanks were expressed to the sector leads who had been involved in developing the guidelines for the funds
  - Guidelines for all funds are being provided in advance of the funds opening to applications
  - Outdoor Tourism Restart fund: Guidelines live 27th January / open to applications 2nd February
  - Hostels fund: Guidelines live 9th February / open to applications 16th February
  - Visitor Attractions fund: Guidelines live 4th February / open to applications 11th February
  - Coach Operators fund: Guidelines live 1st February / open to applications 11th February
  - Scotland Inbound Tour Operators - COVID-19 Business Support and Continuity fund: Opened from 22nd to 29th January to Expressions of Interest. Currently more than 100 EoI have been received.

- It was noted that the additional £10m funding for the Wedding Sector has caused major concern across the Tourism sector. The SGov have recognised this as an issue and they are actively considering potential top ups for all funds.

- There is still concern that people are falling through the cracks. If there are any sectors, businesses or individuals known to be falling through the cracks then this will be raised through STERG to the SGov.

Action: Sector leads to notify Riddell Graham of any sector, business or individual who is known to be excluded from funding support.
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- A decision is still to be made on the Tour Guides / smaller Domestic Tour Operator’s fund. Discussions are continuing with the SGov Economy team to clarify this.

2. Questions / Issues on Funds

• Outdoor Tourism Restart fund
  - Clarification was required as to why Agritourism businesses have been excluded from the Outdoor Fund.

It was advised by Sail Scotland and Wild Scotland, (who have worked collaboratively with VS to define the criteria), that due to the limited funding available (£2.5m), the criteria for the Outdoor fund had to be very tight. Specifically 75% of your annual turnover has to be accounted for from either 1. Marine and Boating tourism activities, or, 2. Outdoor Wildlife, Adventure and Activity Sector tourism activities. It was also noted that unlike other funds, this fund is targeted specifically at supporting businesses who are faced with seasonal re-commissioning and re-start costs ahead of the 2021 season. It is anticipated that this fund will be heavily over-subscribed. It was also highlighted that additional funding is required to address the Outdoor sector as a whole.

It was suggested that the diversity of Agritourism businesses should allow them to apply for alternative funds such as the Wedding Sector, Self-Catering or Visitor Attraction funds, if this is not the case then this needs to be raised urgently with STERG and SGov.

Action: Caroline Millar to provide details to Riddell Graham of Agritourism businesses who are potentially falling though the gaps and not able to apply to any of the available funds. This will be raised directly with SGov.

- It was noted that the Country Sports sector have been angered at their exclusion from the Outdoor fund and it was highlighted that the fund should have been much broader in scope to cover all aspects of the Outdoor sector.

Action: Rory Kennedy to provide details to Riddell Graham of businesses within the country sports sector who are potentially falling though the gaps and not able to apply to any of the available funds. This will be raised directly with SGov.

• Tour Guides / Domestic Operator fund
  - Clarification required on the timescales and the status of this fund

£800k was initially set aside for this fund. Discussions are ongoing with the SGov to agree who and how the fund will be delivered as VisitScotland does not have capacity to deliver this fund in addition to the other 9 funds. There is no timeline currently available for this. As soon as more information becomes available this will be communicated.

• Funding access for businesses engaged in multiple activities
  - It was highlighted that there is a general issue around the ability of diversified businesses to access funding support. Many historic houses may be wedding venues but they are also a visitor attraction. Within Agritourism most businesses are doing multiple activities, e.g. visitor attraction, marine activity, self-catering, B&B, weddings & events. The very specific criteria that some of the funds have, such as the Outdoor fund (75% of T/O to come from those activities), the wedding fund (50% of T/O from those activities), will result in many businesses falling through the cracks.

It needs to be fed back to SGov that the specific criteria that has been put in place for the various funds is causing issues for the diversified businesses that they would have been encouraging in the sector.
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It was noted that the large number of funds coupled with the very specific criteria in many instances is a concern. It was highlighted that there is an argument for one pot of money with more generic criteria to minimise the potential issues.

- **Visitor Attraction fund**
  The challenge for the Visitor Attraction fund is that it is only £5m and it is inevitable that the fund will be vastly oversubscribed. The priority is to secure additional funding which can properly support the sector.

  The other challenge being faced by the visitor attraction sector is that the SGov’s definition of a visitor attraction is not clear. This is particularly impacting visitor attractions applying to the Strategic Framework Business Fund where they are being denied funding as they are not deemed to be a visitor attraction, e.g. Distillery Visitor centres. A meeting will take place with SGov later today to discuss and understand how the SGov are defining visitor attractions.

- **Inbound Tour Operators**
  - Clarification required on whether Sporting Agents will be covered by the Inbound Tour Operators fund. These are commercial businesses who have had their income wiped out.

  **Action:** Riddell Graham to connect Rory Kennedy with Linda McAllister at VS who is dealing with this fund.

- **It was noted that all points raised will be forwarded to SGov right now and will be shared at the STERG meeting tomorrow.**

  **Action:** Riddell Graham to feed back the issues and concerns raised on Sector update call to SGov immediately and share at the next STERG meeting.

3. VisitScotland Marketing Activity
Vicky Miller provided an update on the VisitScotland Marketing Plans and highlighted some of the key priorities.

- **This quarter**
  Working on the assumption that we will gradually come out of lockdown and like last time it will be very local travel, Scotland wide, UK, SH, LH in that order. Greater degree of uncertainty around international travel and looking more like autumn at the earliest may be beyond.

  **Scotland**
  Activity aiming for end February - campaign to inspire people in Scotland to explore Scotland but the campaign needs to face into the challenges we experienced last summer – so it will have an education element. Caring for Scotland, take only pictures, leave only footprints, Scotland yours to enjoy. Supporting this will be video, radio, outdoor, influencer work. As part of the work we are doing with the wider Visitor Management Marketing & Education subgroup nature.scot also looking at a campaign around the countryside code and then with partners looking at creating a bank of digital resources to tackle – litter, camping, motor-homing, walking/dogs etc. Will have a library of resources all can use.

  **Rest of UK**
  Insights still suggesting a lot of caution
  Identified some segments of the UK market more likely to travel – “life goes on” – typically younger. However interest too from more mature segments aligned to vaccination programme – so targeting key. Know that we won’t make up the revenue lost from international with domestic but we want to ensure Scotland is front of mind and get to the segments that want to travel.
Therefore, early March fully integrated campaign on and offline including our partnerships with Expedia and TripAdvisor. Just finalising the media schedule now. Aim to be in market before any of the other UK visits and campaign will initially be about awareness building, driving intent. Creative will be a reminder of what Scotland has to offer, it’s magic, keep dreaming but it will soon be time to take things of pause and press play. When travel re-starts – creative will be “press play on your Scotland adventure”

**International activity**

Monitoring a number of critical indicators:
- Vaccination role out
- Transport connectivity
- Sentiment/propensity
- Economic/affordability

We need to be both strategic and tactical

So continue to keep Scotland top of mind in all our key markets – US, Fr, Gr, Canada, China, Australia, Spain, Italy, Netherlands and Nordics – always put greater emphasis on US, Fr, Gr as our core but be ready to explore tactical opportunities with tour ops/airlines, OTA platforms etc. to get to audiences in markets ready to travel market by market

**Europe – heavier weight campaign**

Assuming shorter haul markets offer greater short term opportunities

In light of Brexit we have been active in Europe since beginning of January with an awareness and destination reassurance film promoting Scotland as a place to live, visit, work, study, invest. From end Feb we will then run a dedicated visit campaign using a version of the film I mentioned – keep dreaming of Scotland, it’s not quite time yet to press play but we can wait to welcome you. Will also look at conversion activity to run in Spring should we think that we could be welcoming people from the summer – that would be agile depending on travel situation. Potential to work with Expedia in this market too.

**North America/Canada/China**

Also will run brand awareness activity to increase consideration of Scotland from early summer.

Planning for conversion activity in the summer for autumn / winter trips– perhaps optimistic but want to be prepared – again this element needs to be agile.

- Supporting all of this our own channels – website, social media, email programme, PR and activity with travel intermediaries in Scotland including a new Scotland Education programme for Tour Operators and Travel Agents
- Scotland re-connects 2021 will run again end of April in place of Expo.
- Forward Planning
  - Teams are working on individual market plans and our longer term plans for the remainder of this year. We will ensure all our plans go onto vs.org. We will be able to firm up exactly our levels of investment by market once we get our budget confirmed from SG.
- It was noted that the VS budget should be confirmed on 28th January. At this point it is not clear whether the budget will increase, decrease or stay the same as this year.

4. Questions / Issues on Marketing Activity
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- Where does the Growth Fund fit within the Plan, what are the likely timings, set up etc?

  The Growth Fund is a core part of VS activity. Once the VS budget is confirmed by SGov the size of the fund can then be determined. It is hoped this will be finalised in the coming weeks.

- Last year the SGov took a cautious approach, closing the sector down again after reopening, this was different to England, and resulted in driving visitors to Devon / Cornwall as the perception was Scotland was closed. We can’t be confident that it won’t happen again, so how do we respond?

  The VS Marketing team have a bank of content for both Top of Mind and Awareness as well as activity that can convert. The strategic partnerships with Expedia, Trip Advisor etc allow VS to turn their content on and off depending on what SGov do.

  Key is the consistency of keeping Scotland Top of Mind so that the conversion activity can be turned on whenever it’s possible. It was noted that VS are not advised when the SGov change the rules which is challenging. There is a need to be agile and do what you can when you can.

  It was highlighted that STERG regularly discuss what needs to be in place for the sector to be able to open up when it can. STERG continues to press for a timely notification of changes that impact the sector.

  It was noted that there is a view from some in the SGov that domestic travel will compensate for the loss of international visitors this year. It has been calculated that an additional 7-8 million UK visitors to Scotland would be required to fill the gap on international visitor spend. It is anticipated that some of the same challenges from last year will continue such as key locations being hotspots, countryside being very popular, however there are issues with the cities. VS needs to give confidence that the city proposition is safe, that you can be outdoors and you are well connected to the countryside. The domestic market will help Scotland to recover this year however on its own it’s not enough to fill the gap of international visitors.

- Will the budget for VS be significantly increased to enable it to deliver on the 5yr Recovery Plan and support market recovery in the short, medium and long term?

  VS will be submitting a significant bid for budget for the years ahead. VS have been advised that the budget announced tomorrow may just be a starter and that further top ups may be expected through the year.

  It was noted that the 5yr Recovery Plan will be a fully costed plan and significant bids will be submitted to support that.

  It was highlighted that industry will take it upon themselves to lobby SGov for VS budget to support recovery.

- It has been recognised that there are structural changes in the markets who are visiting our cities. Businesses reliant on non-discretionary business travel, meetings, business events and conferences have been severely impacted, there is a need to look at how these markets have changed.

- Has there been any change in sentiment from EU countries and USA?

  A tracker is currently in place with VisitBritain / England / Ireland / Wales which covers c. 18 international markets. The results of the fieldwork that was carried out in December were received yesterday. These results show that the sentiment is cautious. France and Germany, who are important to Scotland for...
regional and seasonal spread, look to be more cautious than other European countries. Some Scandinavian countries may be keener to travel. The markets who were important to Scotland pre-COVID will continue to be important but there are some shifts in sentiment and propensity.

The sentiment tracking reports will be visible on VS.org.

5. Short Term Let Regulation

- Fiona Campbell, ASSC, prepared a summary paper outlining the impact and challenges of the Short Term Let regulations on the self-catering sector and B&Bs. Summary paper circulated with meeting notes for information.

Next Meeting

Wednesday 10th February, 9.00am-9.30am