Scottish Tourism Emergency Response Group (STERG)

STERG Sector Update Session
Wednesday 10th March 2021

Present:

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<tr>
<th>Organisation</th>
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<tr>
<td>Association of Scottish Self-Caterers</td>
<td>Fiona Campbell</td>
<td>Scottish Agritourism</td>
<td>Caroline Millar</td>
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<td>Association of Scottish Visitor Attractions</td>
<td>Gordon Morrison</td>
<td>Scottish Country Sports Tourism Group</td>
<td>Rory Kennedy</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 Hopeoun</td>
<td>UKHospitality (Scotland)</td>
<td>Willie Macleod</td>
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<td>Hostelling Scotland</td>
<td>Margo Paterson</td>
<td>VisitScotland</td>
<td>Riddell Graham</td>
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<td>Independent Hostels</td>
<td>Gregor Barclay</td>
<td>WildScotland</td>
<td>Victoria Brooks</td>
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<td>Sail Scotland</td>
<td>Alan Rankin</td>
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Apologies:

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<td>British Holiday &amp; Home Parks Association</td>
<td>Jeanette Wilson</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>
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Key Notes & Actions

1. Issues Arising From The Last Meeting

R.Graham reassured the group that all issues raised on the last Sector Update call were shared with STERG and an update was provided where answers have been received. It was noted that the Local Authority representative who deals with the funds will be attending STERG tomorrow (11th) and any outstanding issues can be picked up then.

- Local Authority Discretionary Fund
  The Local Authority representative at the most recent STERG meeting confirmed that it is the responsibility of each individual Local Authority to determine the criteria for the Discretionary Fund. Unfortunately this will result in inconsistencies between Local Authorities. While this is not helpful it does explain why there are differences.

- Large Self-catering Grant
  Money is now beginning to flow to businesses who are eligible for this fund.

- Small Accommodation Providers paying Council Tax Fund
  All B&Bs, self-catering businesses and guest houses that were previously supported by either the Bed and Breakfast Hardship Fund or the Creative, Tourism and Hospitality Hardship Fund are automatically eligible for support under this scheme and will be contacted by the Local Authority. B&Bs, self-catering businesses and guest houses that have not previously been supported are also eligible to apply to this fund. New entrants can apply between 15th-22nd March.

It was noted that two issues have been raised on this fund:

1) A new eligibility criteria had been added requiring applicants to have an environmental health, food hygiene certificate. While businesses should have this there are Local Authority areas, for example, the Highlands where this is not a requirement unless you serve an evening meal. F.Campbell advised this issue was in hand.

2) Orkney had raised an issue about different levels being applied to this fund. The issue has been passed
to the Local Authority fund representative and R. Graham will share with F.Campbell.

Action: R.Graham to share and follow up with F.Campbell after the meeting.

- State Aid
  W.Macleod confirmed that clarity had now been provided over de minimus levels.
  W.Macleod provided the following update from Kate Nichols and UKGov on state aid.

“This is an update from meeting with BEIS Minister today (4th March). See below confirmation that the Government has agreed to our lobby to increase the current state aid cap which was preventing many businesses accessing grants – below is the official statement confirming the increase in the State Aid cap. It is effectively an increase in the headroom for claiming grants to £10.9m per company, replacing the previous 3m Euro allowance announced last Autumn. Businesses will therefore be able to access the 200k de minimis and 800k temporary provision available April-Sept last year and, if they had made use of the full 3m in closed grants since October, will now be able to apply for additional £7m grant funding. The total amount you will therefore be able to claim from April 2020 to March 2022 is £10.9m.

The new limit can be used retrospectively, providing you have not previously had an application for closed grants determined and refused. We have asked Government to ensure that local authorities are advised immediately so that grant applications are still accepted despite imminent deadlines and also that the self certification on state aid is adjusted. As previously, the advice we have received is that where a lower amount is cited a self certification box can still be ticked and evidence provided linked to today’s statement.

I appreciate that the detail is still sparse, but we expect additional guidance to be published asap. We are also using this to strongly push back on the limiting of business rates relief from July-April 2020 for companies with a rates bill of more than £4m

The Minister also confirmed on the call this afternoon that an announcement on rent moratorium would also be made asap

A Government spokesperson said:
"Ministers have agreed to increase direct support for businesses through our grants schemes to £10.9 million per business to ensure they get the support they need through the pandemic. The previous threshold was capped at 4m euros per business.

"Now the UK can set its own rules and regulations, we are looking to make sure that they deliver for British businesses, workers and consumers."

Additional information
- We are implementing a tiered approach to domestic subsidy allowances for the Covid-19 Business Support grants to meet the needs of different businesses.
- Businesses can receive domestic subsidies equivalent to £335,000 grant support, as agreed in the Trade and Cooperation Agreement and will comfortably meet the need of the majority of businesses.
- To help larger businesses, with a greater number of business properties – because the grants are linked to business rates as a guide to fixed property costs – ministers have agreed to higher subsidy allowances.
- Covid-19 Business Grant Allowance of £1,600,000 per business to cover any grants while we were in the EU and any subsequent grants. This can be added to the Small Amounts of Assistance Allowance to a total of £1,935,000 and will help smaller and medium sized business chains with multiple properties.
- Covid-19 Business Grant Special Allowance of up to £9 million, which will particularly support 500 to 600 larger national companies with multiple properties and estimated to employ 230,000 people. This can again be cumulated with the other subsidy allowances to a maximum £10.935 million.
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- There are additional tests to ensure we don’t provide funding to ailing companies, to help protect value for money associated with this level of taxpayer support.
- This approach is flexible to the different needs of businesses and is in line with the subsidy control principles set out in the Trade and Cooperation Agreement.

Willie Macleod noted that UKH are asking the UK Government for all financial support to have state aid disapplied to it. If this happens at UK level then it should also filter through to Scotland.

A.Rankin advised that initially the Digital Boost award had state aid applied to it and now the Scottish Government website says that it doesn’t apply – there seems to be confusion and needs clarity. In addition it was highlighted that the state aid guidance on the Scottish Government website is incorrect.

Action: R.Graham to raise with his state aid contact and with STERG tomorrow (11th)

- Falling through the gaps
  - Agritourism Issues / Diversified Businesses issue have been captured on the ‘falling through the gaps’ list, i.e. businesses who have not received any funding at all. Work is ongoing with the SGov Tourism team to create a scheme which may be able to pick up those businesses, it’s currently in the early stages however the aim is to ensure these businesses are picked up.
  
  - BACTA have been trying to get a fund established to cover the suppliers of amusement equipment, fruit machines, pool tables, juke boxes etc. to pubs for some time, however there has been no response from the Scottish Government even after it was raised and acknowledged on an STA call with Kate Forbes. Please could this be raised again with STERG.

  Action: R.Graham to raise with STERG tomorrow (11th)

- Request for ongoing business support and a clear roadmap to reopening the sector
  The Phase 1 Tourism Recovery paper, due to be submitted to Scottish Government ministers w/c 8th March, outlines the critical need for ongoing business support as well as clarity around a roadmap for reopening. In addition, 10 priority recovery proposals are presented for funding support. The paper will be submitted to Fergus Ewing, Fiona Hyslop and Kate Forbes. The Scottish Government Tourism Team will push for a response to this paper before purdah (25th March).

  - Next intake for the Tourism & Hospitality Development Talent Development Programme. Phase 1 is currently underway with 2,000 participants. Feedback received from those taking part has been very positive, in addition there has been a very low drop off rate which is encouraging. Phase 2 of the T&HTDP has been scoped for FY2021/22 and is included as a priority recovery proposal in the Tourism Recovery paper. No dates are confirmed for Phase 2.

2. VisitScotland Funds Update

- VisitScotland funds that remain open include:
  - The Scotland Day Tour Operators - COVID-19 Business Support and Continuity Fund - applications open until 5pm on Thursday 11 March.
  - Scotland Inbound Tour Operators - COVID-19 Business Support and Continuity Fund - applications open until 5pm on Thursday 18 March.
  - Campervan and Motorhome Rental Operators Fund - guidance available, applications open 11 March.
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**Action:** R.Graham to update K.Bramham on the number of applicants to the Scotland’s Tour Guides Fund which closes today at 5pm.

3. Issues Raised

- A.Hopetoun requested further clarification on two points relating to reopening, 1) will there be any loosening of restrictions and if so what are they likely to be, 2) likelihood of alignment with the rest of the UK? The importance of Easter trading was emphasised, after Easter trading doesn’t start to pick up again until May.

It was noted that this is a live issue however no detail was yet available. Indications from the FM yesterday were that a slight relaxation could be expected along with the possibility of dates being announced – it was acknowledged that this would be very helpful.

VisitScotland have continued to make the point, based on the Visitor Management work, that the countryside need c. 2 weeks advance notice to ensure facilities are up and running in time.

**Action:** R.Graham to raise at STERG tomorrow (11th).

- A. Rankin reiterated the urgent need for progress to be made on testing protocols and vaccine passports. A request has been submitted to the Scottish Government for an audience with medics and as yet there is no response – this issue has been continually raised since November. It was requested that Scottish Government indicate some direction of travel / adoption as it will help with the thinking on the overnight charter sector.

- W.Macleod advised that Fergus Ewing attended the STA Hospitality Members Forum yesterday and that the point about alignment with the rest of the UK and Scotland’s competitiveness vs England was recognised. The importance of easing travel restrictions to and within Scotland was also clearly understood.

- F.Campbell highlighted that the impact of the 1 household rule on larger self-catering properties is significant, it is not until Level 1 that 2 households can come together and in Level 0 it’s only a maximum of 3 households. It was noted therefore that not all of the self-catering sector will be able to get going as quickly as others.

R.Kennedy commented that this is also a critical issue for the country sports sector as often there is a lodge that goes along with the hunting, shooting, fishing experience, without the lodge there is no way to accommodate people.

- K.Bramham noted that the Chair of STGA had recently written to R.Graham about the easing of restrictions around the STGA training programme. K.Bramham requested that this be raised at STERG.

R.Graham forwarded the letter to the Scottish Government team, however as yet a reply has not been received. It was noted the V.Brooks had raised a similar point for the training of instructors last week.

**Action:** R.Graham to share a response on this as something is received.

- G.Morrison commented that it’s not just the timeline and the dates that are needed for reopening it’s also the conditions under which we will be reopening. A recent ASVA Moffat Centre members survey showed that only 15% of visitor attractions would open under Level 3 conditions i.e. it’s not viable to open fully. This is where the importance of ongoing funding is essential. It was noted that this point was
made to the Cabinet Secretary at the ASVA Board meeting last week.

4. STERG

- The group agreed that there was value in continuing with the STERG Sector Update calls every two weeks.

  **Action:** K.Christie to issue invites for future meetings.

- It was noted that there will be a discussion at the STERG meeting tomorrow about the future of STERG after funds. It was commented that this discussion should be about the future of STERG after funds and after business reopening as these are key issues being faced right now by industry.

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**Next Meeting**

Wednesday 24th March, 9.00am-9.30am.