Scottish Tourism Emergency Response Group (STERG)

STERG Sector Update Session
Wednesday 2nd June 2021

Present:

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<th>Organisation</th>
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<tr>
<td>British Amusement Catering Trade Association</td>
<td>John White</td>
<td>Scottish Golf Tourism Development Group</td>
<td>Stuart French</td>
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<td>Association of Scottish Self-Caterers</td>
<td>Fiona Campbell</td>
<td>Scottish Tourism Alliance</td>
<td>Karen Christie</td>
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<td>Association of Scottish Visitor Attractions</td>
<td>Gordon Morrison</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>Leon Thompson</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>Scottish Agritourism</td>
<td>Caroline Millar</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>Discover Scotland’s Gardens</td>
<td>Dougal Philip</td>
<td>Scottish Country Sports Tourism Group</td>
<td>Rory Kennedy</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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Key Notes & Actions

1. Outstanding Issues From Previous Meeting

- All issues raised on the last Sector call have been taken up by STERG.
- Business Support
  - The need for ongoing business support clearly continues to be an issue across all sectors, STERG will continue to press SGov on this.
- Physical Distancing
  - A Physical Distancing review is expected on 7th June.
- Local Authority Discretionary Fund
  - VisitScotland will issue their grant awards to the businesses who were on hold and recommend that they pick up with the relevant Local Authority to discuss next steps. VisitScotland will also notify the appropriate Local Authority.
- Lack of Demand
  - VisitScotland domestic campaign to ramp up in June.
  - Phase 1 Recovery project, ‘International demand Building’, currently planning to launch late summer to March 2022.
  - Phase 1 Recovery project, ‘Holiday voucher scheme’ to launch in summer 2021 to fill capacity.
  - Phase 1 Recovery project, ‘Days Out Incentive Scheme’, preferred launch date September 2021.

2. Issues Raised

- Association of Scottish Self-Caterers, Fiona Campbell
  - Large self-catering properties continue to be impacted by household restrictions. Currently there is no indication from SGov as to when household restrictions will be relaxed to allow these businesses to trade viably. In level 0, 8 people from 4 households is permitted, however this does not help businesses who accommodate a larger number of guests. This needs to be escalated as a matter of urgency.
  - Updated guidance issued by SGov yesterday (1st June) still says that you can only have one household per bedroom in self-catering accommodation, which is no longer correct.
  - There is evidence of a significant underspend in funds across all sectors. The Self-catering sector have had a £4m underspend from a £7m fund. SGov need to consider how underspends can be redeployed.

R.Graham highlighted that VS are seeking direction on what is to happen with underspends. Initial
indications were that all underspends would be clawed back to a central pot, but this has not been confirmed. VS are continuing to pursue Phase 2 of the Coach Operators fund, Phase 2 for the Outdoor fund as well as funding options for the Agritourism fund which is ready to go. From a VS funding pot of £80m c.£72m has been awarded, however there still remains a number of outstanding queries, once those are resolved VS will be able to give the SGov an update.

- Further concerns are being raised within the sector about spread booking. As international travel opens up people are making bookings overseas, there is a growing risk that this will lead to the cancellation of bookings already made in Scotland for later in the summer, particularly if Scotland continues with the 8 people, 4 households rule. It was also noted that if England relaxes rules around household mixing then we will see bookings migrate to England.

- Association of Scottish Visitor Attractions, Gordon Morrison
  - The physical distancing review which is due on 7th June is critical for the visitor attraction sector. The 2m physical distancing which is currently in place means that the sector has no ability to trade viably – movement on this is urgently needed, the majority of the sector have been trading at unviable levels for the last 18 months. STERG are urged to reinforce the importance of a change to physical distancing otherwise there will be no recovery within the sector.
  - On a positive note, demand is picking up in the visitor attractions sector, particularly on weekends, however the sector needs to be able to service that demand which can’t be done with physical distancing in place.

- Historic Houses, Andrew Hopetoun
  - Echoed the views of G.Morrison on physical distancing for the historic houses.
  - Physical distancing also remains a challenge for weddings. Hopetoun are now starting to see brides, grooms and their families viewing the venue with the expectation that the venue can hold 200 guests when actually the maximum would be 125 due to physical distancing – this is not appreciated.

- British Amusement Catering Trade Association, John White
  - The seaside arcades sector /arcades in holiday parks etc has been doing fairly well since April and footfall has been higher than expected.
  - Managing physical distancing is the big challenge and this is causing problems with crowd management. The public think that it’s all over and so they are less inclined to wear face coverings, maintain physical distancing or provide contact details for Test & Protect.
  - There is only this summer to try and make up for the business that has been lost over the last 2 years so every restriction makes life more difficult.

- UKHospitality (Scotland), Leon Thompson
  - Kate Forbes will be making a statement today in Parliament, this may include an announcement about more funding.
  - There is concern that the physical distancing review is being developed by SGov and although people have made their cases the SGov just doesn’t understand how businesses operate. If any information about how this is developing could be provided earlier or if there was any way to influence this that would be really helpful.
  - Employment is a massive issue for businesses that are open. Hotels and restaurants are really struggling to get workers, let alone skilled workers this is a combination of COVID, EU exit as well as a number of other factors. This is an area where leadership from the SGov is needed, (there is an ask to the UKGov to consider COVID recovery visas).

- Scottish Golf Tourism Development Group, Stuart French
  - Disappointment that international travel was not mentioned in the FM’s statement on 1st June. International movement is now looking less and less likely this year and so for most, this year will be a
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wash out. Furlough ends in September and repayments on CBILS and Bounce Back loans are starting (it was noted however that there is a fair bit of flexibility on this), however the big challenge is funding through to April next year, particularly for tour operators.
- There are some signs of domestic movement from down south, however not as much as expected. Businesses are finding that they can’t really compete in the domestic market although they are looking at what they can do.

• Scottish Agritourism, Caroline Millar
- Businesses who are able to take the urban market, for example around Loch Lomond, are doing ok, however businesses who are more dependent on international visitors or visitors from England are having more issues and are asking for support from Go Rural to drive bookings.
- Many businesses are still asking bout the Agritourism fund and it is good to hear that this is still being pursued by VisitScotland.
- The Agritourism growth tracker that has been developed by VS goes live w/c 7th June.
- Keen to hear more about the Agritourism fund and it is good to hear that this is still being pursued by VisitScotland.
- Farm tours still limited by physical distancing restrictions.
- Go Rural, VisitScotland and Quality Meat Scotland have a joint campaign launching at the end of June in The Times to promote the outdoors and having a great day out and then having a BBQ or fire pit with Scotch beef / lamb etc.

3. AOB
• It was requested that the new Tourism Minister join one of the STERG Sector calls before the summer recess (26th June).

R.Graham noted that this was a good point and would look into the options. It was highlighted that the VS Chair and CEO met with the Tourism Minister last week, it was also highlighted that the STA have met with him. In addition, Kate Forbes has a call next week with Outdoor Capital in Fort William.

It was also noted that either Kate Forbes or Ivan McKee will attend the next STA Council meeting on 15th June.

• An update on the small ship domestic cruise industry was requested.

Confirmation was received at STERG last week that the cruise sector will not be able to operate. Discussions are ongoing about when it will be able to operate once again. It was noted that there is a lot of work going on behind the scenes on this. SGov team are looking to confirm a date for a further update.

• The Destination & Sector Marketing fund was launched on 28th May and opened for applications on 1st June. Early indications are that there is a lot of interest in the fund.

If the group have any queries on the fund then they should contact R.Graham directly.

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Next Meeting
Wednesday 16th June, 9.00am-9.30am.