Scottish Tourism Emergency Response Group (STERG)

STERG Sector Update Session
Wednesday 8th September 2021

Present:

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<tr>
<td>Hostelling Scotland</td>
<td>Margo Paterson</td>
<td>Scottish Golf Tourism Development Group</td>
<td>Stuart French</td>
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<td>Independent Hostels</td>
<td>Gregor Barclay</td>
<td>Scottish Tourism Alliance</td>
<td>Karen Christie</td>
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<td>Night Time Industries Association</td>
<td>Donald Macleod</td>
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<td>Marc Crothall</td>
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<td>Sail Scotland</td>
<td>Alan Rankin</td>
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<td>Scottish Agritourism</td>
<td>Caroline Millar</td>
<td>Wild Scotland</td>
<td>Victoria Brooks</td>
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<td>Scottish Country Sports Tourism Group</td>
<td>Chloe Forbes</td>
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<td>Association of Scottish Self-Caterers</td>
<td>Fiona Campbell</td>
<td>Discover Scotland’s Gardens</td>
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<td>Association of Scottish Visitor Attractions</td>
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<td>Scottish Guest House and B&amp;B Alliance</td>
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<td>British Amusement Catering Trade Association</td>
<td>John White</td>
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<td>Riddell Graham</td>
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<td>British Holiday &amp; Home Parks Association</td>
<td>Jeanette Wilson</td>
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Key Notes & Actions

1. Introduction
M.Crothall chaired the call in the absence of R.Graham. The following points were noted.

- The Programme for Government, which was announced yesterday, included various nods to tourism, however no commitments were made to the Phase 2 recovery proposals which have been submitted other than they (SGov) will, “...consider the best approach to Phase 2 recovery work, covering the following 2 years...”.
- While on a call with Ivan McKee yesterday it was noted that Mr McKee now has much more of an understanding about the importance of international tourism and the urgent need to get this market going again.
- Charlotte Street Partners and the STA will be hosting a webinar on 22nd September. Look out for the link to register free in the STA update.
- The programme for the Industry conference, (which is being co-hosted by the STA, ASVA, HIT Scotland and Scotland Food & Drink on 24th & 25th at the EICC), is currently being finalised. This is a hybrid event, however ticket sales so far are demonstrating an appetite for in person attendance. [Click Here To Find Out More and To Book Tickets!](#)

2. Sector Issues To Be Raised At STERG

Scottish Country Sports Tourism Group, Chloe Forbes

- Looking ahead to this season bookings are good, although there has been a little bit of concern about a future lockdown which would have detrimental impact on businesses.
- There are concerns from the larger estate businesses who are more dependent on international travellers.
- Overall business is looking more positive than last year.

Night Time Industries Association, Donald Macleod

- Vaccine certification is the key issue. SGov are pushing through vaccine certification regardless of the fact that it doesn’t protect people and offers no safety, (lateral flow test will at least show if you are positive
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or negative). There is a huge fightback from industry and although advisors want to listen and take advice from industry the feedback goes nowhere. It is feared that the proposal will be approved by Parliament tomorrow.

It should be highlighted that SGov clinical advisors had previously agreed that lateral flow tests were all that was required for 50,000 people to attend TRNSMT.

- Recent discussions with some hospitality businesses has highlighted that no insurance payments have been made to them (specifically NFU Mutual). Clarification on the current position with insurers would be welcomed.

UKHospitality (Scotland), Leon Thompson

- There is real concern about Covid Certification, currently there is no clarity about what it will do or who it will impact. There is a real danger that it could spread into the wider hospitality sector. There is already concern from the business events sector as to how it could affect them. The hospitality groups are meeting with SGov officials this afternoon and it is hoped that further detail will be available however it is becoming clear that the hospitality groups are being invited to come up with the solutions to make it work. Conversations are also taking place with the UK Government who are also keen to implement Covid Certification however, their approach is likely to be different which will again lead to confusion for businesses and consumers.
- Programme for Government:
  - Hopeful of a delay to the Deposit Return Scheme, this is expected to be confirmed shortly.
  - Awaiting confirmation from SGov officials on the implementation of the Out of Home Action Plan (labelling on menus etc).
  - Nothing new which points the way forward for Tourism or Hospitality.
- We, (industry) are being told that we are at the table, however it doesn’t feel like it – this should be highlighted at STERG.

Wild Scotland, Victoria Brooks

- Phase Two of the Covid-19 Marine and Outdoor Tourism Fund will open today. The fund will be open for three weeks to allow businesses sufficient time to apply. The purpose of the fund is to help businesses, who have had no funding, to survive through the winter.
- Wild Scotland’s most recent industry survey closed yesterday. Headlines include:
  - The most significant barrier to recovery has been identified as lack of international visitors. 52% of all surveyed say they have a reliance on international visitors.
  - The lack of a skilled workforce continues to be a challenge across the sector, particularly skilled seasonal guides and instructors. Drilling this down to boat operators, 50% of those surveyed are experiencing problems in this area.
  - Overall, 50% say they intend to operate right through the winter with an additional 12% looking to adapt their product to operate through the winter and an additional 7% say they are not sure but are considering staying open for longer.
- The sector is enjoying a boom and many operators are doing very well, however there are also operators who are not doing so well, for example some wildlife watching operators.

Sail Scotland, Alan Rankin

- In the marine sector the boating operators, (charters and boutique cruises), will close in 3-4 weeks as the season for them will be over. These are hyper seasonal businesses, who lacked any funding early on in the pandemic and where cash flow will be critical as we move into winter. There are difficult times ahead
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and it is expected that some businesses will fail.

Independent Hostels, Gregor Barclay
- Scottish Independent Hostels and Hostelling Scotland are currently collecting data from individual hostels on guest numbers and turnover for July and August. It is likely that this exercise will be repeated for September and October.
- Hostels have been reasonably busy, however much of the business are bookings carried over from last year. A sharp drop off in guest numbers is expected as we move towards the end of the season.
- The PfG proposes the creation of one or more national parks, the hostel sector would like to know how this would dovetail with existing long distance walking or cycling networks, not only do we need to know how we would get to it but how would we travel through the national park and what accommodation and other services will be available. There are many factors which would need to be considered for a national park, not just the natural element.

Hostelling Scotland, Margo Paterson
- There is concern about a future lockdown given the current Covid numbers.
- Recruitment challenges continue. Currently vacancies are being posted on every available platform however the applicants are not coming through – there just doesn’t seem to be any interest.
- Due to increasing infection rates and looking at the balance of risk, a decision has been taken not to reopen the self-catering kitchens right now. Given that there are a large number of young people working for the organisation who are not double vaccinated and the shortage of staff, it would not be possible to police the kitchens to ensure Covid guidelines are being followed - the self-catering kitchens therefore will not open until November. Shared accommodation will not open until February.
- International groups are being missed. Usually these groups represent c. 40% of visitor numbers.
- Business in August was better than expected, however this was still less than 50% of August 2019.
- Rural hostels have been very busy.
- UK groups are now starting to return
- Cities are beginning to pick up.

Scottish Golf Tourism Development Group, Stuart French
- A concern from the tour operators is the perception that Ireland is an easier destination to deal with than Scotland.
- Tour operators continue to be concerned about the confusion over testing – what testing is available; how much is it going to cost etc – there is a need for better signposting to testing centres.
- Funding support remains crucial to get businesses through to next year.
- Golf clubs are busy with the domestic market however this isn’t new money.

Scottish Agritourism, Caroline Millar
- Members want to see the issue of labour supply ramped up. As farmers we can’t get people to work on the farm and there are big issues in the haulage industry, food and drink processing and agriculture as well as tourism and hospitality. A more joined up, cross-sector approach is needed.

C.Millar is trying to set up a meeting through the national farmers union to have a combined discussion with tourism and hospitality as well as the other sectors impacted to try and find a solution.
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- There is a risk that the customer experience is being seriously impacted by unhappy staff. It is not clear what the solution is, however, businesses should be made aware of the impact their staff is having on the customer experience.
- With the expected move to even more of a green agenda it is not clear what this means for tourism. As an example, sustainable transport is fine however there is no infrastructure to support it in rural areas.

Association of Scottish Visitor Attractions, Gordon Morrison

In advance of the meeting, the following written comments were received.

- Our latest sectoral survey closes on 15th September. Over 120 attraction operators have responded so far, so we are confident we are going to have a very comprehensive picture of where the recovery is for the sector and what challenges are still being faced. I will be in a position to share survey findings with the group at the next meeting.
- Anecdotal feedback from the sector regarding visitor numbers is that there has been a pickup across the board since the lifting of restrictions on 9th August. Outdoor sites are still, by in large, outperforming indoor attractions unsurprisingly, but there are encouraging signs of increasing visitor numbers across all attraction types.
- Many attractions are still limiting capacity in order to alleviate visitor and staff concerns about covid, so whilst we have evidence of attractions at or near full capacity, we are not talking about pre-pandemic visitor numbers here.
- Staff shortages through covid self-isolation and recruitment challenges continue to hamper the recovery of the sector, with a number of attractions operating with reduced hours/services as a result of lack of staff (our survey results will show the scale of this in greater detail).
- Our sector will not be in a position to fully recover from the pandemic until next season at the earliest. The combination of the short season (viable trading only started on 9th August for many), the lack of international visitors and ongoing consumer concerns about visiting indoor attractions mean that many face a very challenging winter ahead. Business failure is still a very real concern for many of our members.
- VB has announced its Days Out campaign designed to encourage domestic visitation in the off season, with the campaign going live in October. Businesses can register interest just now by e-mailing VB. There are a few grumbles about it, such the fact that you have to sign up to the VB ticket shop to participate and they will take a 15% commission, but I would still anticipate that a significant number of Scottish attractions will look to participate when it goes live.
- The VS Days Out Campaign (which may be rebranded to avoid confusion with the VB one) is now looking likely to launch in November. From conversations I have had with VS about it, it looks better than the VB one, in that there will be no commission element. I am still awaiting full details of what the campaign will look like however, so cannot really comment further.

3. Meeting Close

M.Crothall thanked everyone for joining the call.

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Next Meeting

Wednesday 22nd September, 9.00am-9.30am.