Scottish Tourism Emergency Response Group (STERG)

STERG Sector Update Session
Wednesday 17th November 2021

Present:

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<tr>
<td>Association of Scottish Visitor Attractions</td>
<td>Gordon Morrison</td>
<td>Scottish Tourism Alliance</td>
<td>Karen Christie</td>
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<td>Sail Scotland</td>
<td>Alan Rankin</td>
<td>UKHospitality (Scotland)</td>
<td>Leon Thompson</td>
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<td>Scottish Agritourism</td>
<td>Caroline Millar</td>
<td>VisitScotland</td>
<td>Rob Dickson</td>
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<td>Scottish Tourist Guides Association</td>
<td>Kenneth Bramham</td>
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<td>Association of Scotland’s Self-Caterers</td>
<td>Fiona Campbell</td>
<td>Independent Hostels</td>
<td>Gregor Barclay</td>
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<td>British Amusement Catering Trade Association</td>
<td>John White</td>
<td>Night Time Industries Association</td>
<td>Donald Macleod</td>
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<td>British Holiday &amp; Home Parks Association</td>
<td>Jeanette Wilson</td>
<td>Scottish Country Sports Tourism Group</td>
<td>Chloe Forbes</td>
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<td>Discover Scotland’s Gardens</td>
<td>Dougal Philip</td>
<td>Scottish Golf Tourism Development Group</td>
<td>Stuart French</td>
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<td>Historic Houses</td>
<td>Andrew Hopetoun</td>
<td>Scottish Guest House and B&amp;B Alliance</td>
<td>Sinclair Williamson</td>
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<td>Hostelling Scotland</td>
<td>Margo Paterson</td>
<td>Wild Scotland</td>
<td>Victoria Brooks</td>
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Key Notes & Actions

1. General Update
   • Current COVID Outlook
     Following the FM’s COVID-19 update yesterday (16th), it is evident that the sector can expect changes over the coming weeks as the Scottish Government tries to balance the need to alleviate pressure on the NHS while minimising the impact of any increased mitigations on business operations and ordinary peoples’ lives. It was noted that there is significant concern across the Tourism & Hospitality sector about broadening the scope of the COVID certification scheme and it was highlighted that the implications of expanding the scheme must be clearly understood and support provided to businesses if required. A further update is to be provided in the FM’s statement next Tuesday.

   • Phase 1 Immediate Recovery Projects
     A monthly status update on all ten Phase 1 projects has been completed and will be published w/c 22nd November. All projects are continuing to progress. Projects to highlight include:
     - Scottish Tourism Leadership Programme
       Three courses are being delivered as part of this programme. Applications are still open, however will be closing shortly. To find out more please follow this link. Scottish Tourism Leadership Programme
     - Tourism & Hospitality Skills Development
     * Phase 2 of the Tourism & Hospitality Talent Development Programme will run from January – April 2022. Industry communications are expected shortly.
     * A new skills programme is in the final stages of development; this programme is also expected to run from January – April 2022.
     - Destination Net Zero
       Announcements are expected shortly on grants to support industry around carbon reduction measures.

2. Sector Issues To Be Raised At STERG

UKHospitality (Scotland), Leon Thompson
   • COVID Certification
     UKH are continuing conversations with SGov officials on COVID certification. Tomorrow there will be a call with Ivan McKee to discuss further. UKH are pushing for no certification, as it is believed that this is
an unnecessary burden on businesses, with no evidence to support it. A recent survey published by Scotland’s Hospitality trade bodies found that a Covid Certification extension could see over 75% of hospitality business close.

- **Scottish Budget (9th December)**
  Meaningful support for Scottish businesses in the next financial year is critical, e.g., business rates relief. The UK budget announced a 50% rates relief in FY2022-2023, in Scotland this should also be expected as a minimum.

- **VAT**
  UKH continues it’s campaign to keep VAT locked at 12.5%, it is unlikely that anything will be announced by the UK Government until spring 2022.

- **Skills / Workforce Shortages**
  These shortages continue to be a major issue. The ask of the SGov in the short term, is to support the sector with a skills package and a recruitment campaign to help build a pipeline workforce.

  It was acknowledged that this is a long-term issue, which requires a long-term focus, this will not be resolved overnight. Changing demographics in Scotland and the lack of inward migration is causing the Scottish workforce to shrink.

- **Deposit Return Scheme**
  A ministerial announcement is expected today to confirm that the DRS will be delayed until 2023.

### Association of Scottish Visitor Attractions, Gordon Morrison

- During a COVID Certification consultation session with SGov officials last week, it was advised that the visitor attraction sector was one of the sectors being considered for the expansion of the scheme - without any evidence to support it. The visitor attraction sector continues to operate with COVID mitigations that far exceed baseline requirements, over 92% of the sector have mitigations in place that exceed the baseline and more than 66% of businesses are still operating with physical distancing, one-way systems, and timed entries. The virus is not spreading within the visitor attraction sector and therefore should not be targeted as a sector where the virus is spreading. In addition, the sector is not busy right now, visitor numbers have not reached pre-COVID numbers, the latest ASVA survey for September shows September is -46% vs 2019, -67% YTD vs 2019. Winter is a quiet time for visitor attractions and therefore it is very frustrating and confusing as to why the sector is being targeted.

- If the visitor attraction sector is perceived as a sector where the virus is spreading and therefore requires COVID certification, this could have a serious negative impact on the Days Out campaign as the message this portrays is that the sector isn’t safe. It was noted that there doesn’t appear to be any evidence to back this up.

- An initial review of the Business Ventilation Fund has highlighted that visitor attractions are not listed as an eligible business. It is hoped that this is an error as there are many visitor attractions who are keen to enhance their ventilation. ASVA will be raising this with SGov officials today.

### Scottish Agritourism, Caroline Millar

- Scotland’s Agritourism strategy was launched at the Scottish Agritourism conference last week in Perth Concert Hall. This was a hybrid event. The Strategy was launched by Cabinet Secretary Mairi Gougeon and although the launch received good coverage, there was much disappointment, from across the Agritourism sector, that there was no funding announcement to support moving the strategy forward. Next steps are now unclear, the strategy outlines many tangible actions, not all of which involve money; however, many do require resource and funding to make them happen.

- The Agritourism sector is developing a good relationship with Mairi Gougeon, however it has yet to secure a meeting with Ivan McKee.
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**Action:** CM to organise a 1-2-1 meeting with RD to discuss the next steps for the Strategy.

- Current labour challenges in Scotland are impacting the investment decisions being made by some Agritourism businesses. Businesses who are looking to expand in the next 18 months, are avoiding doing anything which would be labour intensive, e.g., farm café, for fear of not being able to find the staff. Instead, they are opting for activities which are less reliant on the availability of staff.

*Sail Scotland, Alan Rankin*

- The marine sector is now closed for the winter. Cash management is the main challenge.
- 2022 season is looking very busy, however many of the bookings have been rolled over from this year.
- Work continues to progress on the Outdoor Scotland strategy. The next leadership group meeting will take place next week. In addition, a meeting on 30th November has been confirmed with the Scottish Government to outline the headline investment opportunities for consideration in the Scottish Government’s budgeting process.

**Action:** AR to organise a 1-2-1 meeting with RD prior to 30th November.

- Presentation of the sector’s environmental services and environmental credentials will change in advance of the 2022 season, as the emphasis on Net Zero continues to grow. This is likely to impact how businesses will present themselves to consumers.
- Deep frustration with the Ventilation Scheme was noted. Sail Scotland had made a submission requesting that the scheme be made available to businesses beyond those who pay business rates. Cruise ships in particular would benefit from assistance with ventilation. There is huge disappointment that the sector does not appear to be eligible.

**Action:** RD requested that AR and GM keep him informed about discussions on the ventilation scheme. It was suggested that the apparent omission of the visitor attraction sector and the marine sector may not have been intentional and recommended that by working together a resolution could be found.

- The new sector marketing campaign is moving forward. As a consequence of the campaign, agreements are being signed with DMO’s to deliver partnership campaigns which is very positive.

*Scottish Tourist Guides Association, Kenneth Bramham*

- STGA have noted that applications for their 2022 Blue Badge Course is very slow. Steps are being taken to improve applications by working with SDS and increasing advertising spend, however resources are tight. It was noted that this situation reflects the recruitment challenges across the sector.

*Scottish Guest House and B&B Alliance, Sinclair Williamson*

The following points were raised via email by the SGHBBA in advance of the meeting.

- The Scottish Guest House and B&B Alliance launched its marketing campaign yesterday (16th), over a breakfast meeting at Kingsway Guest House in Edinburgh, hosted by Gary and Lizzie Scott. Three directors from SGHBBA including Sinclair Williamson, Fraser Mathieson, head of our Marketing group, and Fiona Gilmour, the regional representative for Fife and East Central Scotland met up with Rob Dickson, VisitScotland Director of Destination and Industry Development for what was an outstanding breakfast.

A press release covering the breakfast meeting launch of the marketing campaign, funded by a £40,000 grant administered by VisitScotland to support our sector in the recovery following the pandemic will run until March 2022. This followed a launch of the SGHBBA membership offer a few days earlier.
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The marketing campaign is being managed on behalf of SGHBBA by Bright Light Marketing.

4. Meeting Close

- RD thanked everyone for their contributions.
- It was suggested that COP26 is discussed on the next Sector call, in particular the challenges and implications for the Tourism & Hospitality sector.
- VisitScotland (and possibly STERG) will look to consult formally with Sector groups over the next couple of months to understand how they would like to engage over the following 12 months. It was noted that there is a need to balance short term COVID response and recovery, with the medium to long term challenges being faced by the sector. At the moment, the direction to be taken is completely open. The aim is to outline the proposed way forward by c. mid-February.

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Next Meeting
Wednesday 1\textsuperscript{st} December, 9.00am-9.30am.