Scottish Tourism Emergency Response Group (STERG)

STERG Sector Update Session
Wednesday 15th December 2021

Present:

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<td>Association of Scotland’s 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>Hostelling Scotland</td>
<td>Margo Paterson</td>
<td>Scottish Country Sports Tourism Group</td>
<td>Chloe Forbes</td>
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<td>Independent Hostels</td>
<td>Gregor Barclay</td>
<td>Scottish Golf Tourism Development Group</td>
<td>Stuart French</td>
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<td>Sail Scotland</td>
<td>Alan Rankin</td>
<td>VisitScotland</td>
<td>Rob Dickson</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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Apologies:

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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 Guest House and B&amp;B Alliance</td>
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<td>Discover Scotland’s Gardens</td>
<td>Dougal Philip</td>
<td>UKHospitality (Scotland)</td>
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<td>Historic Houses</td>
<td>Andrew Hopetoun</td>
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Key Notes & Actions

1. Update

• **COVID-19 Update**

RD noted that the last 10-14 days have been very challenging for the sector. The impact of the announcements made by the First Minister on Friday (10th) and yesterday (14th), in response to the Omicron variant, are already having a profound effect.

RD observed that although the sector would seem to be in a similar position as before, it is different this time as there will be no primary legislation to support the SGov’s recommended restrictions. This time restrictions are mostly voluntary, with individuals being asked to comply – this will have consequences for business.

It is not clear how the £100m business support, announced yesterday by SGov, will be distributed. SGov have proposed that this would be targeted at those businesses primarily in hospitality, food supply, and the culture sector. Further details are to be confirmed.

It was commented that UK government resources are thought to be for vaccination support and not business support however, given the restrictions that are being introduced it is understood that further support for businesses will be required – discussions are ongoing.

• **Scottish Government Budget FY2022/23**

C.£50m was allocated to VisitScotland in the Scottish Budget announced on 9th December, this is comparable to the 2019 budget.

It was noted that there was no allocation of funding to support any of the STERG Phase 2 Recovery Recommendations. There is an expectation from the SGov that all STERG public agency partners will utilise core budgets to support recovery.
2. Sector Issues To Be Raised At STERG

**Association of Scottish Visitor Attractions, Gordon Morrison**

- Significant frustration expressed that ASVA was not forewarned about the FM’s announcement yesterday - neither the restrictions which were announced, or the £100m business support. It was noted that meetings were held with hospitality groups, however there were no meetings with ASVA, a large association representing a sizable proportion of the tourism sector.
- Following the FM’s announcement, it was not clear what the implications for the attractions sector would be and it was very challenging to get hold of the right information to brief ASVA members. This could have been avoided if ASVA had been involved in discussions in advance.
- It was acknowledged that Christmas is a critical time of year for hospitality and that businesses are now suffering because of recent announcements by the SGov. However, it should be noted that while businesses in the attractions sector were suffering throughout the summer months, with many remaining in survival mode, with little opportunity to build up reserves to see them through the winter, there was no support available. This lack of support is now resulting in potential business closure. As an example, a sizeable 5 star visitor attraction, which is a key driver of visitors to a particular area in Scotland, will face closure on 1st February unless support can be found.
- It was noted that recent announcements have impacted visitor attractions who were hosting Christmas parties / events – this was not acknowledged by the SGov. Following recent discussions with SGov officials, this will now be considered.
- Many businesses in the attractions sector were struggling prior to recent announcements. Now they are struggling even more. Messaging from SGov does not support people going out and visiting attractions, nor does it support the ‘Scotland’s Great Days Out’ campaign which is currently running.
- The visitor attraction sector is on its knees and while it is appreciated that there is not a lot of money available, it must be recognised that this sector needs support.

RD advised that over the last 22 months there have been three things which have consistently made a difference to any communications, firstly, the quality of the communication, secondly, the clarity of the message for the target audience and thirdly, the definition of boundaries for any funds or regulations. If these three points are not clear, then there is confusion.

RD advised that further conversations are due to take place after this call and following the STERG call tomorrow. RD assured the group that everything would be done over the next 24 hours to ensure these three points are addressed.

**Wild Scotland, Victoria Brooks**

- Recent announcements have significantly impacted consumer confidence and created more uncertainty, this has resulted in an immediate slowdown of winter activity bookings for the outdoor sector as well as a slowdown on bookings for next year.
- There is a massive concern about the level of debt that businesses within the sector have been building up. There is a huge reliance on a full season next year to be able to recover as much debt as possible.
- Introducing further restrictions doesn’t just affect the hospitality sector, they have far reaching implications across all of the tourism sector and business support should be available to all.
- School groups are reconsidering their bookings for next year (for one provider this is potentially £70k)
- There is concern about bookings for next year from North America or Europe. If the day two PCR test remains in place, cancellations are likely.
- Wild Scotland will go ahead with the launch of their new marketing campaign towards the end of this week.
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Sail Scotland, Alan Rankin
• The boating sector is closed for the winter. Cashflow for these businesses will be incredibly tight through the winter. Business support will be required next year to support the high start-up costs at the beginning of the season. Whilst no casualties have been reported yet, it was noted that some businesses won’t reopen.
• A genuine fear for the cohesiveness of the tourism sector was expressed. Following SGov’s proposal yesterday, it would seem that Tourism is being side-lined in order to support, ‘non tourism domestic hospitality’ businesses. Restrictions are impacting businesses across the entire tourism sector, not just hospitality, business support should be shared across the whole sector. It was noted that the divide between tourism and hospitality was concerning.

Scottish Agritourism, Caroline Millar
• Cancellations following recent announcements are significant and cover a whole mix of businesses across the agritourism sector, from accommodation providers such as glamping pods or large self-catering holiday homes, to farms with planned Christmas activities / events.
• It is disappointing that lessons have not been learned from previous experiences on how to effectively engage with the sector and that tourism is not seen to be as valuable as hospitality. This needs to be resolved.

Association of Scotland’s Self-Caterers, Fiona Campbell
• Huge spike in cancellations following recent announcements.
• Concern about the suggestion to limit social interaction to 3 households and the impact that will have on larger self-catering properties. It was noted that as this is only a suggestion, and not law, then there will be no support.
• Serious concern that tourism is being overshadowed by hospitality.

Scottish Golf Tourism Development Group, Stuart French
• Disappointing that hospitality will receive funding over the winter while no support has been forthcoming to support the inbound tour operators who have suffered significantly over the last 18 months due to the lack of international visitors. A meeting is scheduled to take place today with the Minister however no funding support is expected.
• It was suggested that SGov should reconsider their spending priorities in light of the current COVID-19 situation.

Scottish Country Sports Tourism Group, Chloe Forbes
• Many members are reporting cancellations for the rest of the season due to recent announcements.
• Continued uncertainty is making people hesitant about booking, particularly international guests.

Hostelling Scotland, Margo Paterson
• The suggestion by the FM to limit social interaction to 3 households will have a major impact on hostel bookings.
• Low consumer confidence and continued uncertainty will impact bookings for the start of the next season. Some guidance from SGov would be helpful.
• The day 2 PCR test will have an impact on future bookings if it continues to be retained.
• Bookings for School groups will be impacted.
• Business support is required now – not in March or April.
Independent Hostels, Gregor Barclay

- The obsessive focus on the hospitality sector, particularly by the media, is not helpful for the tourism sector.
- Clarity is required from SGov as to whether there will be a legal obligation on accommodation providers to comply with the recent guidance, to take reasonable precaution to prevent the spread of COVID-19. If this does impact accommodation providers, then the implications for hostels will need to be understood.
- At the last STERG sector call it was explained that the main source of income for most hostels in the winter, is group bookings, such as walking clubs. If the advice form SGov is that no more than 3 households can meet at the same time, then the likely impact is that guests will choose not to stay in a hostel.

Scottish Tourist Guides Association, Kenneth Bramham

- The uncertainty being caused by the new Omicron variant has led to some immediate cancellations, however bookings for next year still look ok. Should stricter measures need to be brought in then it is likely that this will hit bookings later in the year and further financial support will be required.
- American visitors to the UK are required to take a COVID-19 test from one of four US approved suppliers, before returning home. Unfortunately, this is not clear to American visitors and British Airways are denying travel unless visitors have the right test. This requirement is not clear to visitors, visibility needs to be significantly improved.

It was noted that VisitScotland have been picking up issues similar to this. VisitScotland will try to get clarity.

3. Meeting Close

- It was noted that over the last 24 hours the STA have been gathering insight and evidence on the impact of recent announcements and ensuring that this information is represented in discussions with ministers and Scottish government officials. The STA will be updated following this sector call and will continue to represent the sector’s views in further discussions this afternoon and beyond.

- RD encouraged those on the call to send evidence of the immediate, short-term impact which the changes over the last week have had on businesses, noting that data was vital in the discussions which are ongoing.

It was agreed that sector groups would continue to provide evidence wherever possible. Sector groups highlighted however that the data provided over the last 22 months, (either directly to Scottish Government or through STERG), does not seem to have had any cut through.

It was noted that for some sectors, the winter data which will be provided, will not reflect the worst trading period. The worst trading period for sectors such as visitor attractions or inbound tour operators was the summer when many businesses were still struggling to survive. Despite the data illustrating this fact, no support was forthcoming.

- RD emphasised that this was not just about the impact of the FM’s announcements over the last few days, this was about the trajectory that businesses have been on over the last 22 months and the forecast of where they saw themselves in the future. The sector was beginning to think positively about future bookings, however, this recent hit to consumer confidence and the uncertainty of what is allowed or not allowed, (for both business and consumers), is a hefty blow for businesses to take and to recover from.
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• In closing the meeting RD commented that there was an ongoing need to balance the short and long term. It was noted that for many on the call the medium to long term impact of the current situation is more concerning than the immediate short term impact, however, it is critical to get the short term right otherwise the knock on impact in the future will be significant.

It was noted that every endeavour would be made to ensure clarity of communication to this group and to address the points raised today on the call.

• RD reiterated the importance of this group for communication purposes and recommended that this continues. It was suggested that the group could meet more frequently if required.

A further call, in the next few days can be arranged, if the group feel that it’s needed.

• RD thanked everyone for their continued contributions and wished everyone a happy Christmas and a good new year when it comes.

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Next Meeting
The next meeting is scheduled for Wednesday 12th January, 9.00am-9.30am. However, noting the changing COVID-19 landscape, additional meetings may be scheduled prior to that.