Scottish Tourism Emergency Response Group (STERG)

STERG Sector Update Session
Wednesday 12th January 2022

Present:

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<td>Association of Scotland’s Self-Caterers</td>
<td>Fiona Campbell</td>
<td>Scottish Tourist Guides Association</td>
<td>Kenneth Bramham</td>
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<td>Association of Scottish Visitor Attractions</td>
<td>Gordon Morrison</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>VisitScotland</td>
<td>Rob Dickson</td>
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<td>Sail Scotland</td>
<td>Alan Rankin</td>
<td>VisitScotland</td>
<td>Carolyn Churchill</td>
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<td>Scottish Agritourism</td>
<td>Caroline Millar</td>
<td>UKHospitality (Scotland)</td>
<td>Leon Thompson</td>
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<td>Scottish Guest House and B&amp;B Alliance</td>
<td>Sinclair Williamson</td>
<td>Wild Scotland</td>
<td>Victoria Brooks</td>
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<td>Scottish Tourism Alliance</td>
<td>Karen Christie</td>
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<td>British Amusement Catering Trade Association</td>
<td>John White</td>
<td>Hostelling Scotland</td>
<td>Margo Paterson</td>
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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>Chloe Forbes</td>
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<td>Historic Houses</td>
<td>Andrew Hopetoun</td>
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Key Notes & Actions

1. Business Support Update

- £9m business support fund to be administered by VisitScotland to support the Tourism sector.
- To disburse the funds as effectively as possible VisitScotland are having to operate within the constraints of the funds which have been run previously. It was not possible to create new funds due to the time, effort and bureaucracy involved, the priority was to get the support to the right businesses as quickly as possible.
- Simple eligibility criteria has been agreed and comprises of 3 key questions, 1) Were you open and trading, 2) Have your bank account details changed, 3) Did you incur losses between 8th December and 21st January.
- Funds are specifically targeted at businesses who incurred losses between 8th December and 21st January, i.e., the period impacted by the guidance and subsequent additional restrictions linked to the omicron variant. These funds are not intended to address the impacts of the pandemic prior to those dates or the consequences which may be felt after those dates.
- Details on the funding will be updated on the VisitScotland website at this page: https://www.visitscotland.org/news/2021/business-funding-support
- The aim is to provide more details of the application process next week.
- In addition to direct communication with Sectors, social media and enewsletters will also be used to communicate more widely.
- Sincere thanks were offered to all those who took phone calls and provided the information and data which informed discussions over the last few weeks. It was noted that the importance of this insight cannot be underestimated.

2. Sector Feedback and Comments

Scottish Guest House and B&B Alliance, Sinclair Williamson

- Member survey conducted in December. Results revealed that many businesses had seen a significant drop in turnover and new bookings because of the changes to the COVID guidelines announced by the FM. Recent communication however between the SGHBB and the SGov has consistently confirmed that
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despite the funding which is being made available to the Tourism & Hospitality sector, Guest Houses and B&Bs are to be excluded. It was noted that many businesses lost thousands of pounds in December.

- It was noted that Guest Houses and B&Bs do pay business rates, however they are excluded from the funds. (The UK Government list includes Guest Houses and B&Bs in England if they pay NDR).

RD noted that he would press SGov for clarity on funding decisions on a sector by sector basis. VisitScotland grounds for funding is clear however it is not as clear for other funding sources, such as the SFBF. It was noted that SGov are having ongoing funding discussion.

Association of Scottish Visitor Attractions, Gordon Morrison

- Some businesses may be eligible for more than one of the available funds. Although businesses can only accept support from one fund, clarity is required on how this process will be managed, there is concern that one fund may offer better support than another.

RD advised that there is no answer to this right now. Previously, if a business received support from fund A but fund B turns out to be more beneficial then fund A could be returned, and the business could then apply for fund B. This should be avoided but was possible.

- Care should be taken with the messaging on the £9m business support fund. £9m out of £375m may not sound like a lot to many businesses and it is likely that many businesses will not be happy.
- The business support being offered is recognised and greatly appreciated however £6,800 will not solve any problems, (it was noted that Kate Forbes acknowledged this on the STA Council call yesterday).
- The STA Financial Impact Survey found that 1 in 3 business are concerned that their businesses will fail in 2022 which is similar to the ASVA survey which showed that 1 in 4 visitor attractions were worried about going out of business - £6,800 will not change this.
- There is concern that £6,800 will not change the outlook for the tourism landscape in 2022 there is still a significant risk that hundreds of businesses could go under.
- An opportunity for Kate Forbes to meet with the STERG Sector group would be welcomed.
- It is still not clear whether the SGov fully appreciate how bad the situation is.

Independent Hostels, Gregor Barclay

- Clarity required on several questions.
  1. ‘Businesses need to demonstrate they incurred losses between 8 December and 21 January’, is this still self-certification?

RD confirmed that businesses will be asked to confirm they have suffered losses, they will not be asked to provide paperwork.

2. The previous round of VisitScotland funding for hostels required businesses to be trading in the calendar year 2020, however there will now have been some new entrants into the sector in 2021 who will have been trading in the period 8 December and 21 January, will they be eligible?

RD advised that there are ongoing discussions with SGov about start-ups and new businesses. Currently they would not be eligible because the funding is only for businesses who previously received funding, (top up). If they were to be eligible it would require a new fund with all the complexity that would bring. A decision has not yet been made.

3. Are businesses able to apply for more than one fund?

RD advised that businesses can only bid for one fund.
Post meeting note: RD clarified that businesses can apply to more than one fund but can only accept and receive funding from one fund.

Association of Scotland’s Self-Caterers, Fiona Campbell
- Small accommodation providers, self-catering, Guest Houses and B&Bs no longer seem to be recognised by SGov as Hospitality or Tourism and are therefore excluded from any funding.
- It is not suggested that Scotland follows the UK by giving everyone on NDR business support, however there are 2,173 larger self-catering properties that have lost tens of thousands of pounds between 8 December and 21 January (impacted by the advice to limit gatherings to 3HH’s) and they are not receiving any support. This decision is difficult to understand and should be explained. Larger self-catering properties have only been able to trade unrestricted for 23 out of the last 90 weeks. Only £2,000 has been offered throughout the pandemic.
- STL licensing is going to plenary next week and is likely to be passed.

RD proposed that a further offline discussion was needed to address the points raised about the exclusion of self-catering, guest houses and B&Bs from any funding support.

RD recognised the difficulty for businesses to only look at the impact of 8 December to 21 January in isolation, given that the pandemic has been with us for nearly two years, however it was reiterated that this specific funding was only that specific period and does not take into account what’s gone before or what may come in the future.

Scottish Tourist Guides Association, Kenneth Bramham
- The window for which the funding applies to is understood, however the uncertainty which is wrapped around the current Omicron situation is having a significant longer-term impact. Existing STGA members are either not paying their subscriptions or are retiring. In addition, the STGA have taken the decision to cancel the 2022 Blue Badge training intake as there was not sufficient numbers.

Scottish Agritourism, Caroline Millar
- Agritourism spans several sectors, visitor attractions, food & drink, hostels, self-catering etc. Agritourism member are angry and frustrated that if you have chosen the farm tour or café route then you will receive support, however if you have chosen the accommodation route you will not be supported. Every business is dealing with the same issues and there should not be discrimination.
- Agritourism wants an explanation from the SGov which outlines the rationale for not supporting businesses who can demonstrate cancellations in the accommodation sector. It was noted that this does not affect all accommodation providers as many will have had no cancellations, however it does impact some.

RD advised that this should be picked up offline in further discussions about self-catering, guest houses and B&Bs.

Scottish Golf Tourism Development Group, Stuart French
- Given the level of cancellations over the last 4-5 weeks this money will be appreciated by operators.
- The impact of messaging is critical, recent messaging has not only driven cancellations, but it has also impacted the level of new enquiries – there are no new enquiries coming through. (It was noted that Kate Forbes acknowledged the importance of messaging on the STA Council call yesterday).
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- It is hoped that this funding will not detract from the further funding that is due for the past two years - £6,800 will not have any significant impact. Clarity required from SGov as to when they are going to look at further funding from the £375m.

Sail Scotland, Alan Rankin
- The definition of tourism needs to be clarified for the SGov, this should address either the fragmented thinking or the lack of understanding of the sector. This could be something that this group comes back to.

3. Meeting Close
RD closed the meeting with the following points:
- £9m is a reasonable allocation given the wider landscape.
- No sector (with one exception - events) will see any business receive close to sufficient funding to fully compensate them for the losses incurred between 8 December to 21 January, SGov did not set out to do this as it could not afford it. These funds are business support and not compensation, it would be totally unaffordable to cover loss of profit or full loss. The challenge therefore is to be able to make a payment which will make some difference to businesses. It is acknowledged that a flat payment, in the case of this fund, will be more significant to smaller businesses and less significant to larger businesses.
- Public funding constraints need to be recognised. The Tourism sector has been well supported in the budget proposals compared to some others in the public sector and other business sectors. Funds which have come to the sector / VisitScotland compare favourably to other sectors. The VisitScotland funding which has been secured for FY2022/23 compares very favourably to other public sector organisations. Local Authorities for example are extremely pressed in terms of the settlement they have.
- It is acknowledged that the focus over the last few weeks has been on addressing the issues impacting the here and now, however this should be seen in the context of what is even more important which is a successful 2022, the future strength of the sector and the capacity to secure the tourism economy that we all want, and which is outlined in Scotland Outlook 2030, is vital.
- STERG and the STERG Sector group should focus on the steps needed to ensure 2022 is the longest and strongest season.
- The focus of VisitScotland is about how good we can make 2022, (over and above administering the current business support).
- The feedback and comments from this group are valuable and individual challenge is welcomed. The way forward for STERG and the STERG Sector group needs to be considered further to ensure we continue to make a difference and add value. The value of STERG and the Sector group can be evidenced over the last two years and in the last few weeks we have clearly demonstrated, through the work done to bring together the business support funds, that we can continue to make a difference.
- RD thanked everyone for their time and once again thanked everyone for their effort over the last few weeks to provide the information needed to have informed discussions.

Next Meeting
The next meeting is scheduled for Wednesday 26th January, 9.00am-9.30am.