Scottish Tourism Emergency Response Group (STERG)

STERG Sector Update Session
Wednesday 26th January 2022

Present:

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<td>Association of Scotland’s Self-Caterers</td>
<td>Fiona Campbell</td>
<td>Scottish Guest House and B&amp;B Alliance</td>
<td>Sinclair Williamson</td>
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<td>Gordon Morrison</td>
<td>Scottish Hostels</td>
<td>Gregor Barclay</td>
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<td>Hostelling Scotland</td>
<td>Margo Paterson</td>
<td>Scottish Tourism Alliance</td>
<td>Karen Christie</td>
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<td>Sail Scotland</td>
<td>Alan Rankin</td>
<td>Scottish Tourist Guides Association</td>
<td>Kenneth Bramham</td>
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<td>Scottish Agritourism</td>
<td>Caroline Millar</td>
<td>UKHospitality (Scotland)</td>
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<td>Scottish Country Sports Tourism Group</td>
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<td>Rob Dickson</td>
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<td>Scottish Golf Tourism Development Group</td>
<td>Stuart French</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>Historic Houses</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>
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Key Notes & Actions

1. Business Support Update

- Good progress is being made with the four VisitScotland tourism funds that are currently live, (coach operators, day tour operators, hostels and inbound tour operators), more than 50% of payments have now been made to those eligible to apply. The status of the funds are currently being reviewed and it is expected that they could close by the end of the week or beginning of next week. A communication to confirm this will be issued.
- Additional checks have been put in place to address potential fraud issues. A number of phone calls are being made to a random sample of applicants to check the veracity of their applications; this is part of the anti-fraud measures being taken. It was noted that there will be no request for personal data or bank account details, it’s just a check to ensure the application is valid.
- The launch of the Visitor Attractions Fund and the Outdoor / Marine Fund have been delayed. Due to the volume of applicants expected, both funds are being run online and unfortunately there have been some technical problems with the system. The technical issues are being resolved now and they will be tested on Friday and Monday, the aim is to open the funds on Tuesday 1st February. It is expected that these funds will be completed within two weeks.
- It is highly unlikely that any additional funds will be made available however it was noted that the situation will be kept under review.
- RD advised that a discussion had taken place with KB, STGA, to gain a better understanding of the Omicron impact on tour guides. It was noted that while there may not be funding available for the current round of top up grants, further discussions were required to look at options of how this sector could be supported with 2022 recovery.
- RD advised that further discussions had taken place with FC, ASSC and SW, SGHBBA regarding support for larger self-catering properties and B&Bs. It was noted that conversations are continuing with SGov on this issue.
2. Sector Feedback and Comments

Association of Scotland’s Self-Caterers, Fiona Campbell
- FC thanked RD for pursuing discussions on support for the sector and emphasised that it is only support for larger self-catering properties which is being sought.

Scottish Tourist Guides Association, Kenneth Bramham
- KB thanked RD for the recent call to discuss supporting the tour guide sector.
- It was noted that although the results of the recent STGA member survey had not been available at the time, the data is now available.
  - Confirmed bookings for 2022 - 35% have none, 11% have more than 15.
  - Provisional bookings for 2022 - 29% have none, 11% have more than 15. Note: A booking can be anything from a half day tour to one lasting 10 days or more.
  - 18% could say that enquiries were at or above their normal level for this time of year.
  - 54% have had fewer than half their normal level of enquiries. There are far fewer enquiries from the USA, Europe (partly the virus, partly Brexit), and European School Groups (Brexit requirement for passports) and shore excursion companies - an important source of work for many guides, particularly those on the islands and newly qualified guides.
  - 76% are dependent on an increase of bookings in order to pay their bills.
- A recent check of STGA membership levels show that they have lost 37 members, this will be offset in part by the new intake of Blue Badge trainees who will graduate this year, however it does take the total membership to less than 500 with 50 still to pay their fees. The cumulative impact of this has left the STGA finances in a perilous state.

Scottish Hostels, Gregor Barclay
- Omicron funding for the hostel sector is progressing smoothly.
- GB highlighted that many legitimate hostel businesses, who were open for Christmas and lost money due to Omicron, will not receive an offer letter from VS, because they didn’t receive funding from the previous round of support. It was noted that there may have been several reasons as to why the business didn’t receive support last time, they may have joined the sector after 2020, they may have received support from a different fund (double dipping was not permitted) or the hostel element of the businesses may not have met the % of income criteria which was set. There are a small number of businesses who are genuinely in need and suffering and require support. An update is required from SGov.

RD advised that there is unlikely to be any further funding available, however conversations about new starters or discretionary funds are ongoing with SGov, in particular conversations about the scope and criteria for such funds. It was noted that funds like these may not be a tourism specific, instead they could be made available to all Scottish businesses. Pressure on SGov to resolve this will continue.

Scottish Agritourism, Caroline Millar
- Many Agritourism members have not yet received the hospitality top ups from local authorities. Local authorities are not responding to phone calls or email enquiries, (East Lothian, Aberdeenshire and Perthshire).

Action: Following the STERG meeting tomorrow, KC to provide an update on local authority business support top ups for hospitality.
- Grants from the Destination & Sector Marketing Fund are very much appreciated however the pressure to deliver all activity by 31st March 2022 deadline is challenging. The disruption caused by the Omicron variant through December and January has resulted in sectors having to focus their time on supporting businesses as well as managing the grants and delivering the activity. Scottish Agritourism will also
struggle to complete the Tourism Leadership project (funded through SE) by 31st March. Clarity on whether there is any leeway on this deadline would be welcomed.

RD confirmed that the 31st March spending deadline is an annual challenge and there is likely to be very little movement on this. However, for STERG recovery funds there may be some leeway offered given the disruption caused by Omicron. Discussions about this are ongoing with SGov.

- Once again applications for the Digital Boost grant opened and closed on the same day meaning that many businesses missed the opportunity to apply. Industry must be given advance warning of the live dates for these grants so that businesses can prepare and ensure that they have the necessary paperwork to hand so that the application can be made swiftly.

RD acknowledged the issues highlighted on Digital Boost and agreed that businesses need to be primed and ready to apply once the fund opens. It was noted that this was a comms issue.

**Action:** RD to ask colleagues who are working on Digital Boost to contact colleagues of Hugh Lightbody at Business Gateway to reinforce the point of advance notification.

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

- An update on funding for the GH and B&B sector was requested.

RD advised that conversations were ongoing with the SGov. It was noted that widespread grant funding for the accommodation sector is not expected, however a better explanation about why decisions were made was expected. In addition, there is an opportunity to look at the potential support which would be needed in 2022 for those sectors who have demonstrable pressures and issues to be addressed.

**UKHospitality (Scotland), Leon Thompson**

- Hospitality funding from local authorities is incredibly slow however some members are now in receipt of funds. The timing of payments vary depending on the local authority.
- SGov are updating the COVID-19 Strategic Framework to incorporate how we live with COVID moving forward. It was noted that this is an important piece of work which should ensure that the SGov doesn’t continue to restrict or shut down the sector should the worst happen in the future.

**Wild Scotland, Victoria Brooks**

- If there is any chance of the 31st March deadline being extended for the Destination & Sector Marketing Fund, then sectors need to be notified ASAP. It was noted that Wild Scotland would welcome an extension.
- The Digital Boost application process was crazy, many businesses missed out. The whole process needs to be rethought.
- The Outdoor & Marine Top Up Fund is welcomed, particularly when many businesses opened up this winter that wouldn’t normally open at that time of year. It was highlighted however that there are many businesses still falling through the cracks.
- Cashflow, the roll-over of international bookings, the high start-up costs for the sector and staff recruitment are all significant concerns going forward.

**Sail Scotland, Alan Rankin**

- Sail Scotland members did not have a good experience when trying to access the Digital Boost fund – it was closed within one hour of opening.

RD reiterated that he would find out more about what happened with the Digital Boost fund.

- Cashflow challenges and high restart costs are very concerning for the sector.
• Extending the 31st March funding deadline would be appreciated.
• Summer bookings are looking exceptionally good, this includes bookings rolled over from last year as well as a lot of new interest.
• The Sail Scotland Board and member forum would like to know when VisitScotland will be resuming their international marketing activity. It was noted that the Scandinavian and north European markets are critical to the sector.

RD advised that VisitScotland will continue to deliver international marketing activity to the scale of what has been done in previous years. In 2022 the intention is to be back to normal core funding for international marketing, it was noted that further work will be done to confirm what that will look and feel like.

Association of Scottish Visitor Attractions, Gordon Morrison
• Several members have been in touch to ask whether the Days Out campaign will be extended to the end of March. The campaign has been warmly welcomed by the sector however it was running while the SGov messaging was to stay at home. Due to this some members have not used their full allocation.

RD advised that no additional funding would be made available for the Days Out campaign, any funds remaining from this campaign were repurposed into the £9m Omicron support fund. It was noted that the timescale will probably be extended to allow businesses to use up the allocations that they already have.

• ASVA will meet with the tourism minister on 8th February. A key issue to be discussed at this meeting is the importance of the change in tone from SGov messaging. Current messaging remains cautious, and this will not help with recovery. Discussions will also focus on where the sector is at now and what it looks like going forward, part of that discussion will include the level of support which is being offered, (c. £6,800) and the impact that has on many members. The Visitor Attractions sector is ambitious, they want to deliver a green recovery and paying the living wage however this is very difficult to achieve with no money in the bank and significant debts to repay.
• ASVA, like other sector organisations were given c.12 hours to feedback comments on the Strategic Framework, this is not sufficient time to deliver good feedback.
• ASVA are delivering Complete Storytelling workshops in February and March and would like to thank all Sectors for pushing out these workshops to their membership. Particular thanks to the STGA, a significant number of STGA members have now signed up to take part.

Scottish Golf Tourism Development Group, Stuart French
• The SIGTOA inbound operators are all very grateful for the Omicron fund.
• There is still an ongoing ask from the inbound tour operators to the tourism minister for support. A meeting will be held in February.
• There is concern about delivering the winter marketing activity by 31st March. If the deadline is to be extended beyond 31st March, it would be helpful to know this ASAP.

Action: RD to circulate an update on the Destination & Sector Marketing Fund deadline of 31st March 2022.

Hostelling Scotland, Margo Paterson
• The lack of international bookings was reiterated. Pre-COVID c.40% of annual turnover was from international bookings. Although the staycation market has performed well, overall turnover was c.£3m last year vs c.£9m pre COVID – There is a need to encourage international guests to return and anything that VisitScotland can do to support that would be appreciated.
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Scottish Country Sports Tourism Group, Chloe Forbes

- An extension to the 31st March deadline for the Destination & Sector marketing fund would be welcomed. There is concern about delivering this activity on time.
- The SCSTG has appointed a new chair. The first official board meeting will take place next week.

**Action:** CF to confirm SCSTG representation at STERG and STA meetings moving forward.

- A study on the impacts of storm Arwen on Shoots has been completed. It was noted in a recent survey that 40% of businesses had to cancel their shoot days which had a significant impact on the sector. Data from the survey is available and can be circulated.

**Action:** CF to share findings from recent survey.

3. Meeting Close
RD summarised the following points:

- There continues to be some issues with the delivery and management of funds - both the top up and existing funds.
- There is a nervousness about the short term, however more optimism about the medium term, with some clear pointers to the priorities for 2022.
- International marketing is critically important, however in the short term, effort must continue to focus on the domestic market.

RD thanked everyone for their contributions and advised that there were a number of points to be followed up, including the Digital Boost.

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**Next Meeting**
The next meeting is scheduled for Wednesday 9th February, 9.00am-9.30am.