Scottish Tourism Emergency Response Group (STERG)

STERG Sector Update Session
Wednesday 9th February 222

Present:

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Representative</th>
<th>Organisation</th>
<th>Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association of Scottish Visitor Attractions</td>
<td>Gordon Morrison</td>
<td>Scottish Hostels</td>
<td>Gregor Barclay</td>
</tr>
<tr>
<td>Hostelling Scotland</td>
<td>Margo Paterson</td>
<td>Scottish Tourism Alliance</td>
<td>Karen Christie</td>
</tr>
<tr>
<td>Sail Scotland</td>
<td>Alan Rankin</td>
<td>Scottish Tourist Guides Association</td>
<td>Kenneth Bramham</td>
</tr>
<tr>
<td>Scottish Agritourism</td>
<td>Caroline Millar</td>
<td>VisitScotland</td>
<td>Carolyn Churchill</td>
</tr>
<tr>
<td>Scottish Golf Tourism Development Group</td>
<td>Stuart French</td>
<td>Wild Scotland</td>
<td>Victoria Brooks</td>
</tr>
<tr>
<td>Scottish Guest House and B&amp;B Alliance</td>
<td>Sinclair Williamson</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Apologies:

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Representative</th>
<th>Organisation</th>
<th>Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association of Scotland’s Self-Caterers</td>
<td>Fiona Campbell</td>
<td>Night Time Industries Association</td>
<td>Donald Macleod</td>
</tr>
<tr>
<td>British Amusement Catering Trade Association</td>
<td>John White</td>
<td>Scottish Country Sports Tourism Group</td>
<td>Chloe Forbes</td>
</tr>
<tr>
<td>British Holiday &amp; Home Parks Association</td>
<td>Jeanette Wilson</td>
<td>UKHospitality [Scotland]</td>
<td>Leon Thompson</td>
</tr>
<tr>
<td>Discover Scotland’s Gardens</td>
<td>Dougal Philip</td>
<td>VisitScotland</td>
<td>Rob Dickson</td>
</tr>
<tr>
<td>Historic Houses</td>
<td>Andrew Hopetoun</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key Notes & Actions

1. Introductions
   - Carolyn Churchill, Head of Corporate Communications, VisitScotland, chaired the meeting in place of Rob Dickson who was unable to attend. CC is the Comms lead on STERG.

2. Business Support Update
   - All six VisitScotland top up funds are now up and running.
   - The first four to launch, (coach operators, day tour operators, hostels and inbound tour operators) continue to progress well and are nearing completion.
   - The Visitor Attractions Fund and the Outdoor / Marine Fund launched within the last few days, most emails have now gone out to businesses in these sectors and agreement letters are starting to be returned. The aim is to make payments within 10 working days of receiving the agreement letters.
   - It was highlighted that there is a group of businesses who were successful for two different funds last year, however the fund they chose to accept is not offering a top fund this year and the other fund is. Work is ongoing to identify these businesses as they will be eligible for the top up from the fund that they turned down last year based on the fact they were previously successful in their application to that fund.

Association of Scottish Visitor Attractions, Gordon Morrison

- Visitor Attraction Fund: There are cases where a visitor attraction, who has already been awarded funding from the Hospitality top up, is also being offered funding from the Visitor Attraction top up, it is clear that attractions are only permitted to accept one fund, if they now want to accept the Visitor Attraction top up, what should they do?

CC advised that she would clarify this situation and confirm back to GM. It was noted however that the Visitor Attraction should be able to pay back the funding already received.
Scottish Tourism Emergency Response Group (STERG)

**Update:** CC advised after the meeting the following: *In line with previous financial support packages delivered during the pandemic, businesses will only be able to receive funding from one of the schemes announced to help the tourism industry between 8 December 2021 and 21 January 2022, regardless of the body which is administering the fund. This does not mean that businesses cannot apply to multiple funds if they meet the relevant eligibility requirements. However, the business must only accept one offer and then either withdraw from another scheme or pay any amounts already received back to the administering body before accepting another offer.*

- Days Out Scheme: There are many Visitor Attractions who will not utilise their full funding allocation by the deadline of 14th February. There is a request from the Visitor Attractions to extend the deadline to the end of March. GM advised that ASVA discussed this yesterday at a meeting with the minister.

CC advised that VS have been discussing this and the Inbound Operator Collaborative Marketing Fund with the SGov. An update will be communicated when available.

**Update:** CC advised after the meeting that VisitScotland will be communicating with businesses for the Days Out Fund today (9th February) to advise them of an extension to use of the grant and to the final closure report. Details of the email are below, and this will be followed up with amendment letters sent to each recipient to advise of the changes.

> “The discount can now be applied to bookings as permitted in the Fund Guidance where the relevant visit/experience takes place within the promotional period of 4 November 2021 until the Grant Award has been fully utilised. A closure report will be required by the end of this summer.”

Scottish Guest House and B&B Alliance, Sinclair Williamson

- The B&B and guest house sector have been excluded from the recent top up funds despite many businesses suffering significant losses due to the impact of Omicron. The GHBBA are waiting on a satisfactory explanation from the Scottish Government as to why this decision was taken. A progress update was requested.

SW noted that Edinburgh City Council has set up a discretionary fund for guest houses and B&Bs to cover cancellations due to the Omicron variant (£1,000 for council tax paying businesses and £2750 for NDR businesses).

CC advised that there was no update available at the moment, however this would be followed up after the meeting.

Scottish Tourist Guides Association, Kenneth Bramham

- It was highlighted that the Scottish tour guides sector have also been excluded from the recent top up grants.

- Data from a recent STGA survey is now available to illustrate the impact of the pandemic on the sector and was provided in the notes of the last meeting (26th January). An update on whether any progress is being made on behalf of tour guides for future support was requested.

CC confirmed that the STGA comments would be fed back and that she would ensure that the available data has been taken into account.
Scottish Tourism Emergency Response Group (STERG)

3. General Update

- STERG are currently reviewing the remit of the group for 2022. A key consideration is how the agencies will continue to work together to support recovery (as a priority), but also how they will work towards the longer term ambitions of Scotland Outlook 2030. Discussions are ongoing.

It has been noted by STERG that regular engagement with Sectors leaders is highly valued and has been identified as critically important moving forward.

- Rob Dickson and Vicki Miller gave evidence at the Economy & Fair Work Committee on 2nd February.

Following the evidence session the Convener wrote to the Cabinet Secretary for Finance and Economy to reiterate its recommendation for funding to be made available in next year’s Budget for Phase 2 of the Tourism Recovery Plan.

The letter can be viewed here

The Committee also took evidence from, Marc Crothall, Chief Executive Officer, Scottish Tourism Alliance; Stephen Montgomery, Spokesperson, Scottish Hospitality Group; Leon Thompson, Executive Director, UKHospitality Scotland.

The evidence can be viewed here.

- VisitScotland will have a significant focus on both domestic and international marketing in the last quarter of the financial year both to support recovery and to support the ongoing work that the Destination and Sector organisations are doing.

4. Sector Feedback and Comments

Sail Scotland, Alan Rankin

- Many of the marine operators are not open and trading right now, however, the feedback is that 2022 bookings are looking very strong, and 2023 bookings are also looking positive.

- Many operators continue to struggle with cashflow – this is an ongoing issue.

- The major fear from the sector is a potential knee jerk reaction from the Scottish Government if another variant of COVID appears. Care must be taken with messaging to ensure consumer confidence is not impacted and that progress is not derailed.

- The marketing campaign, funded by the Destination & Sector Marketing Fund, is performing really well. The aerial drone videos have had >250k views and social media activity is working particularly well.

Scottish Agritourism, Caroline Millar

- A new sector marketing campaign will launch on 19th February. The campaign will target urban residents and urban visitors to go rural. The extension to the campaign deadline was welcomed.

- It was noted that Scottish Agritourism’s request to extend the deadline for the Tourism Leadership & Recovery Fund, which is being administered though the Enterprise Agencies, was rejected. CM highlighted that while the funds were gratefully received there is too much to deliver within the very
There is concern within the Agritourism sector about the impact of the short-term lets legislation. Already it is impacting on people considering moving into agritourism. The costs involved and the types of accommodation which may be affected may determine whether they move into accommodation or not.

Rising costs are a huge challenge for all businesses across all sectors, finding the balance between recouping costs and retaining your customer base will be key.

A draft of the Fourth National Planning Framework is currently out for consultation, the closing date for responses is 31\textsuperscript{st} March. This framework will be very important for the Agritourism sector as well as many other sectors. CM asked whether VisitScotland or any of the sectors were aware of the document or were feeding into the document. It was noted that a sustainable Tourism planning policy has been drafted in the document.

CC noted that she would follow up with VisitScotland colleagues.

ASVA met with the minister yesterday (8\textsuperscript{th}) and shared with him the initial results from a 2021 report on visitor numbers for the Visitor Attractions sector.

Overall, visitor numbers in the sector were -62\% vs 2019, indoor visitor attractions were -75\% vs 2019. This data demonstrates that there has been no recovery for visitor attractions in 2021 and for many visitor attractions the picture remains very difficult.

Cash flow continues to be an important ongoing issue, the recent top up grant has been welcome however it is not sufficient. A recent snapshot survey has found that more than 1 in 10 visitor attractions have no cash reserves.

There is a growing optimism about 2022 however there are still immediate term issues that need to be addressed - there are still a number of visitor attractions who are very close to the wall.

Moving forward it will be important for Scottish Government to give the sector confidence that there will not be any stop, start trading.

There has been limited opportunity and confidence within the visitor attraction sector to invest in their product for the year ahead. This will have consequences as attractions must invest and continually improve otherwise, they will date very quickly. This was a key point of discussion with the minister yesterday – if the Scottish Government are looking to support the industry further then help the sector to invest as well as help the sector to cut costs (business rate relief extension).

The complete storytelling courses, which are being run by ASVA, as part on the Phase 1 recovery projects, are going incredibly well and the feedback has been very positive. However, the deadline to deliver the programme by 31\textsuperscript{st} March has severely limited the number of workshops which could be run. It is disappointing that these programmes do not have the opportunity to deliver the scale of benefit that they could be due to an accountancy deadline.

Most Sector groups are or will be going through membership renewals. It was noted that ASVA have no other choice but to put up their membership fees because of cost rises. There is however concern about the impact this will have on businesses.
Scottish Tourism Emergency Response Group (STERG)

Last year the Sector support funding which was received was hugely beneficial as it helped to ensure that sector groups could provide a high level of service for members without pushing the cost onto the members. It is appreciated that there is no additional money in the pot however if any other funding is available for DMOs etc, it is important for the sector groups also to be considered as previous funding was really valuable.

Scottish Hostels, Gregor Barclay
- The marketing campaign targeted at overseas visitors is incredibly important to the hostel sector. C. 40% of turnover within the sector is generated by overseas visitors in a normal year.

- Anecdotally demand from UK based groups is reasonably strong and bookings are coming in from core guests, however, demand from overseas visitors is poor, it is hoped that they will come this year, however it may not be until later in the year.

- Scottish Hostels has just completed its membership renewal for the coming year. 10% of the membership base has been lost. It was noted that this wasn’t due to hostels going bust but rather that the hostels have found that they cannot make money from hostelling and instead have switched to self-catering – this is expected to be a continuing trend – hostelling is a shrinking sector.

Hostelling Scotland, Margo Paterson
- Hostelling Scotland are encouraged by the bookings that are coming through for 2022. Interest from overseas visitors is there however actual bookings remain light.

- Consumer confidence remains fragile, there is a need to be careful about emotive language from Scottish Government which could impact on confidence.

- Cash flow issues remain and although the top up fund has been helpful, those cash flow problems still persist.

Scottish Tourist Guides Association, Kenneth Bramham
- There is a fear that Scottish Tour Guides are a shrinking sector.

- 16% of the STGA have not renewed their subscription, (this number doesn’t include those who have resigned or retired).

- STGA are currently looking at recovery planning and specifically what they need to do to encourage businesses to hire tour guides once again.

  It was noted that 2021 was a disastrous year for tour guides - just as poor as 2020. Tour guides are heavily reliant on international visitors, without that, the picture remains very difficult.

- It was highlighted that March 2021 was the last time that sector received support

- Liaising with VS to develop a recovery plan. STGA have a Year of Stories web page however there isn’t a link from the VisitScotland website directly to STGA Year of Stories page. Clarification is needed on this.

  CC advised that she would discuss the issue with the Year of Stories team at VisitScotland.
Scottish Tourism Emergency Response Group (STERG)

Update: Year of Stories to contact STGA directly to progress.

Scottish Guest House and B&B Alliance, Sinclair Williamson

- SW highlighted that there is a lot of ambiguity about who is included in the STL legislation. B&Bs who pay council tax have been included in the legislation (class 9 properties), clarification is sought as to whether guest houses that are NDR commercial properties (class 7 properties) are also included. The wording in the legislation is not clear. Industry bodies have advised that they are exempt, however recent correspondence with the Scottish Government suggests that all guest houses are within the scope of the legislation. Can clarification be provided?

  CC noted that she would raise this point for clarification. In addition, CC advised that a working group is looking at this legislation and a comms working group is also being set up, which CC will sit on, to ensure consistency and clarity in messaging.

- The new marketing campaign, funded by the Destination & Sector Marketing Fund is going very well.

Scottish Golf Tourism Development Group, Stuart French

- Tour operators are still experiencing international cancellations which is worrying.

- Confirmation is required as to whether the deadline for the Inbound Operator Collaborative Marketing Fund can be extended.

  CC advised that VS have been discussing this and the Days Out scheme with the SGov. An update will be communicated when available.

Update: CC advised after the meeting that VisitScotland will be communicating with businesses for the Inbound Operator Collaborative Marketing Fund today (9th February) to advise them of an extension to use of the grant and to the final closure report. Details of the email are below, and this will be followed up with amendment letters sent to each recipient to advise of the changes.

“**The deadline for you to spend your Grant Award has been extended. However, the Grant Award can still only be used towards meeting the reasonable and properly incurred costs that are shaded in green in the Marketing Plan set out in Appendix 1 in your original Grant Award letter to drive bookings in support of short term recovery objectives. A closure report will be required by the end of this Summer.”**

Wild Scotland, Victoria Brooks

- Consistency of communication is key moving forward.

- International booking cancellations are a concern.

- There is optimism in the outdoor sector, bookings are strong moving forward however more bookings and business expansion means more employment is needed and that is an issue, there are a huge number of vacancies advertised right now.

- There is concern that school bookings with outdoor centres are reluctant to pay deposits, this is having a significant impact on cash flow.
Scottish Tourism Emergency Response Group (STERG)

- The campaign extension has been welcomed and the request for the Days Out campaign to be extended was reiterated.
- The challenge of cost increases is a big concern. Not only on businesses but also cost increases for consumers which may impact on last-minute booking decisions.

5. Meeting Close
- CC thanked everyone for their time and for their valued comments and feedback.
- CC committed to following up with colleagues after the meeting and coming back to individuals as quickly as possible.

-----------------------------------------------------------------------------------------------------------------------------

Next Meeting
The next meeting is scheduled for Wednesday 23rd February, 9.00am-9.30am.