Key Notes & Actions

1. Introduction
   • Karen Christie, National Tourism Strategy Manager and STERG Coordinator, STA, chaired the meeting in place of Rob Dickson who was unable to attend.

2. Update
   • All six top up funds are now closed, (Coach Operators, Day Tour Operators, Hostels, Inbound Tour Operators, Visitor Attractions and the Outdoor / Marine). There are no issues to report. All payments will be paid over the next 1 - 2 weeks.

   • The new Omicron Business Support Fund is due to open today and will be open for a week. Comms will go out later today. This fund will support businesses across the six original fund sectors - Coach Operators, Day Tour Operators, Hostels, Inbound Tour Operators, Visitor Attractions and the Outdoor / Marine – which were impacted by the Omicron variant but not eligible for previous funding rounds in 2021. [https://www.visitscotland.org/supporting-your-business/funding/omicron-support-fund](https://www.visitscotland.org/supporting-your-business/funding/omicron-support-fund)

   • STERG partners are continuing to assess STERG’s priorities for 2022. A number of STERG meetings will be held this week to try and finalise those. In addition, STERG is looking at how it will make the transition from a body which has been responding to the pandemic to one which supports recovery and ultimately one which will deliver the ambitions of Scotland Outlook 2030. The aim is to provide a further update after the Easter break.

   • No funding has been confirmed in 2022/23 for the Phase 2 Recovery Recommendations. STERG has prioritised the Phase 2 Recommendations to ensure that if funding does become available there is a very clear plan about where that funding should be directed.

   • The fortnightly STERG Sector Update calls were due to conclude today. The proposal is to continue these meetings indefinitely, with the next meeting being scheduled for Wednesday 20th April.

   It was noted that all sector leads agreed with this proposal. New diary invites will be issued.
3. Sector Feedback and Comments

Association of Scotland’s Self-Caterers, Fiona Campbell

- FC noted that the STERG Sector call was a valuable meeting and provided a meaningful way to feed in to STERG and to the Scottish Government. It is also a great platform to be able to bring everyone together from across the different sectors.

- Barometer Survey – Interim Results
  - The survey was launched on 19th March, so far 516 responses have been received.
  - The results are appalling. There is real concern about utility price increases, however the biggest concern is the cost of STL licensing (92% very concerned about the cost involved in licensing).
  - Bookings are down significantly – people aren’t booking. Forward bookings this year are worse than this time last year.
  - Many businesses are highlighting that this is the worst bookings they have seen in 20 years.
  - Business confidence for 2022 is dismal.

- Ferries
  - Members on islands, in particular Arran, are being significantly impacted by ongoing ferry cancellations. One member has had 13 bookings so far this year, however only 3 have been able to get over to the island. Livelihoods are being decimated by the ferry crisis.

- Short-term Let Licensing
  - The current situation with STL Licensing is a mess. Every local authority, every sector group and every business operator is interpreting the guidance incorrectly as it is so poorly written.
  - Orkney council is going to expect every STL to have planning permission with the associated building warrants to qualify for the licence.
  - This is an untenable situation for small accommodation businesses and the ASSC has officially asked for support from the STA and STERG. The sector is fighting for its livelihoods.

- FC to forward a brief note which summarises the key issues highlighted which can be shared with STERG.

- Two documents from the ASSC were circulated in advance of the meeting for reference.
  1) Response to National Planning Framework 4 Consultation (Q38: Sustainable Tourism)
  2) Briefing to inform the Members’ Debate on Scottish Tourism Month 2022, (held on 22nd March).

Scottish Agritourism, Caroline Millar

- Agritourism members are seeing a slowdown in bookings across accommodation, tours and other activities, particularly over past 3 weeks.

- Member also seeing Americans cancel who were coming to Scotland for the golf. CM advised that her business had people cancel from California.

- Members are hugely worried about short term lets. There is concern that it will put people off starting a new business. Scottish Agritourism is working with 85 businesses who have indicated that they want to start a new business in the next two years.

- The growth tracker survey from last year will be published by VisitScotland tomorrow.
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- CM was on GMS this morning at 6am talking about the development of Scottish Agritourism over the last two years.

Association of Scottish Visitor Attractions, Gordon Morrison

- Maintaining this group and STERG overall is hugely important. As things stand at the moment, we are still on an emergency footing, not even a recovery footing – this must be recognised.

- ASVA have just published their January visitor figures. It was noted that the numbers are being reported as 2022 vs 2021 and 2022 vs 2019.
  - Unsurprisingly 2022 vs 2021 is +338%, however it was highlighted that Scotland was in Level 4 in January 2021 and every indoor visitor attraction was closed. When compared with 2019 the sector is -42%.
  - The outdoor sector is +72% vs 2019, however attractions such as castles, museums and distilleries and other indoor attractions, they are all down 50%-60% vs 2019.
  - It’s important to point out that the January figures is with the support of the Days Out Scheme which has worked well for the sector. Without the Days Out Scheme the numbers would have been a lot worse. There is concern that without a further incentive scheme moving forward the sector will be in a difficult position for the season ahead.
  - The January figures demonstrate how fragile the situation is. Recently a leading attraction has indicated that they are three weeks from going out of business. Another leading highland attraction has reported that the recruitment situation is so bad they are reducing their opening hours and choosing to close on some days.

UKHospitality (Scotland), Leon Thompson

- The Chancellor’s statement today will be key for some of the asks and possible support for the sector particularly on VAT, although hopes are not high for this. Whatever package is announced it will need to be interpreted for the sector both in terms of support for businesses as well as consumers.

- It was noted that none of the MSPs who took part in the Tourism debate last night in the Scottish parliament, (with the exception of Claire Baker), appeared to have an understanding of what is going on in the sector despite collective efforts to communicate the situation that businesses currently find themselves in. There is a sense that MSPs believe that the corner has been turned and now is a fabulous time to be out in Scotland. Consideration needs to be given as to how the true message about the state of the industry can be communicated to politicians.

- The results of a recent member survey were published yesterday. The survey clearly demonstrates the impact of rising energy costs. Businesses are once again looking at cutting hours, cutting days of service and scaling back their offer in order to navigate the current challenges. This needs to be communicated to and understood by ministers and the politicians.

Sail Scotland, Alan Rankin

- The small luxury cruise ship sector was reporting a solid season ahead, however one operator is now reporting two recent cancellations, one from North America and one for Europe – the cause of cancellation is not known yet.

- Given the fragility of the market the key messaging of any comms activity should be carefully considered.

- In the marine sector there is a real concern from operators that the net zero ambitions leapfrog practicality on the ground, this is particularly worrying for a sector where there is high capital investment
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into vessels. Changing an engine is a massive capital investment and some engines may have a 20 year-30 year lifespan. It is essential that there is funding and support available to help businesses transition.

- AR advised that this would be his last STERG Sector call and that Daniel Steel will take over moving forward. AR noted that this meeting was one of the most worthwhile 40 minutes every fortnight and the value of the meeting is clear.

Scottish Hostels, Gregor Barclay
- Forward bookings for the hostel sector are still slow. It is unclear whether there will be fewer guests in the summer or whether there will be last minute bookings.
- Increasing energy costs / running costs continue to be a worry. In addition, a recent notification from the businesses merchant services provider, announcing that they are about to increase their charges on EU debit or credit cards by 67% (sighting Brexit). Cards from the UK will be treated in one way, while cards from every other country will be treated differently and at a higher rate – this is yet another cost.
- GB advised that this was likely to be his last STERG Sector call as he is due to step down as a Director of Scottish Hostels at the end of next month, GB may attend the next meeting but that is not confirmed. A replacement has not yet been confirmed. GB thanked everyone on the call that he had been working with over the last year and stressed how useful this forum had been for the hostelling sector and tourism generally to make the concerns of the sector known to Scottish Government.

Hostelling Scotland, Margo Paterson
- All hostels which are not currently open, will open from 1st April, however recruitment continues to be a struggle – this remains the biggest concern.
- Pre-COVID guest booking patterns were very predictable and booked well in advance. Now guests are waiting to the last minute.
- MP agreed with GM that there are large parts of the sector who are not yet in recovery. Rising costs and the VAT increase at the end of the month is a huge concern.
- MP wished AR all the best and noted that she had enjoyed working with him at the CBP. MP noted that she would continue to work with GB in the hostelling sector.
- MP agreed with others that this call was a valuable meeting and should continue.

In advance of the meeting the following points were raised.

Scottish Guest House and B&B Alliance, Sinclair Williamson
- SGHBBA continue to have concerns about the inconsistent message from the Scottish Government regarding the STL legislation and guidance to businesses affected. Yet again they have changed the wording in the latest publication on this matter which was published on 18th March 2022, which once again includes use class 07 hotels in the exemptions. The additional wording within this new document, indicates that any business calling itself a hotel, regardless of whether or not it holds a license to sell alcohol, is exempt, however it makes no clear reference to the definition of a hotel. SGHBBA feel that any joint approach from STERG sector representatives in addressing this messy issue with the Scottish Government should involve representation of SGHBBA.

Scottish Golf Tourism Development Group, Stuart French
- A lot more positivity about this year. Some of the Tour Operators are experiencing cancellations but generally the year is looking positive. No new enquiries though for this year.
- SIGTOA and the PGA have launched Zero Carbon initiatives
- The SGTDG strategy is almost ready to launch.
4. Meeting Close

- KC thanked everyone for joining the call and for their input.

- KC, on behalf of RD and STERG, thanked AR and GB for their valued contributions to the meetings since inception in January 2021 and noted that they were very much appreciated. KC wished them both well.

- KC assured the group that the points raised today would be circulated to STERG, as would any additional materials which are supplied.

- Meeting invites for future meetings will be issued shortly.

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Next Meeting
The next meeting will be scheduled for Wednesday 20th April, 9.00am-9.30am.