Scottish Tourism Emergency Response Group (STERG)

STERG Sector Update Session
Wednesday 15th June 2022

Present:

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<td>Association of Scottish Visitor Attractions</td>
<td>Gordon Morrison</td>
<td>Scottish Tourism Alliance</td>
<td>Karen Christie</td>
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<td>Hostelling Scotland</td>
<td>Sabine Mackenzie</td>
<td>Scottish Tourist Guides Association</td>
<td>Kenneth Bramham</td>
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<td>Scottish Golf Tourism Development Group</td>
<td>Stuart French</td>
<td>VisitScotland</td>
<td>Rob Dickson</td>
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<td>Scottish Hostels</td>
<td>Dominique Drewe-Martín</td>
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Apologies:

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<td>Association of Scotland’s Self-Caterers</td>
<td>Fiona Campbell</td>
<td>Scottish Agritourism</td>
<td>Caroline Millar</td>
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<td>British Amusement Catering Trade Association</td>
<td>John White</td>
<td>Scottish Country Sports Tourism Group</td>
<td>Chloe Forbes</td>
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<td>British Holiday &amp; Home Parks Association</td>
<td>Jeanette Wilson</td>
<td>Scottish Government</td>
<td>Jonathan Ferrier</td>
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<td>Discover Scotland’s Gardens</td>
<td>Dougal Philip</td>
<td>Scottish Guest House and B&amp;B Alliance</td>
<td>Sinclair Williamson</td>
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<td>Historic Houses Scotland</td>
<td>Andrew Hopetoun</td>
<td>UKHospitality (Scotland)</td>
<td>Leon Thompson</td>
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<td>Night Time Industries Association</td>
<td>Donald Macleod</td>
<td>Wild Scotland</td>
<td>Doug McAdam</td>
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<td>Sail Scotland</td>
<td>Daniel Steel</td>
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Key Notes & Actions

1. Introductions
   - RD welcomed Sabine Mackenzie to the call who was standing in for Margo Paterson, Hostelling Scotland.

2. Sector Feedback and Comments

Scottish Tourist Guides Association, Kenneth Bramham
   - Bookings remain healthy through to September / October, however it was noted that bookings for tour guides typically tail off towards the end of the year.
   - There has been a noticeable rise in visitors from France and Germany which is encouraging.
   - The popularity of walking tours is increasing.

Scottish Golf Tourism Development Group, Stuart French
   - Bookings for 2023 are healthy.
   - The sector is still experiencing cancellations, typically larger groups of eight or twelve. Tee times are now becoming widely available.
   - The Scottish Golf Tourism Development Group recently met with Mr McKee to discuss funding for the new golf strategy. Supplementary information was provided to the Minister as requested and the SGTDG are now waiting for a response.
   - Service levels in hotels and restaurants remain a concern, tour operators are working very hard to manage the expectations of visitors.
   - Tour operators are reporting lengthy delays (4 hours) at Edinburgh airport as passengers try to locate their luggage.

Scottish Hostels, Dominique Drewe-Martín
   - Overall, the picture is quite positive.
   - There is concern that rising fuel costs may be preventing the UK domestic market from travelling to Scotland, however, outbound flight cancellations may now be forcing the UK domestic market to holiday at home – this situation is being monitored.
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- There has been a noticeable increase in international visitors (French, German, Belgian, Dutch, American) which is encouraging. International visitors would normally represent c. 25% of all visitors, currently it’s 50%-75% of all visitors. This increase is thought to be the culmination of this year’s guests plus guests who have postponed trips in 2020 or 2021. It is expected that this will be a one off situation and that the mix will return to 25% in 2023. Proportionately there appears to be many more Americans.
- Last minute bookings and walk-ins continue to be the trend and there are fewer future bookings at this time of year than there was in 2019. Current revenue is on a par with 2019, if not better.

Hostelling Scotland, Sabine Mackenzie
- Groups business has retuned and is doing well, (many are postponed groups from prior years which are now being realised).
- Group bookings for 2023 is looking very good.
- Individual demand varies – dependent on weather – generally ok
- Rural sites are performing exceptionally well and are on a par with 2019.
- City locations are c. 10%-12% behind 2019.
- Struggling to recruit management positions and chefs - this has forced working patterns to be adjusted.
  - A cooked breakfast is no longer served on the basis that it hasn’t been possible to deliver this consistently and there is a need to manage visitor expectations.
  - Edinburgh occupancy has been capped as there isn’t sufficient staff to deal with current business levels.
- Average accommodation rates are +5% on budget.
- Average expenditure overnight is down (related to the type of breakfast being served).
- Conversion rate for bookings is strong, c. 12.5% in May.
- May occupancy -10% vs 2019 – possibly down to one bank holiday weekend rather than two.
- Price increases on food & drink have not been well received – guests no longer perceive it as good value.
- June bookings are currently above 60%, July and August bookings are good. September and October not as strong.
- England is the biggest market however international visitors are also returning from France, Germany, USA, Netherlands and Spain.
- Cancellations due to COVID started in May.
- COVID issues are also being experienced in properties and seems to be increasing – this is being monitored closely. The reduced isolation period (5 days) now makes it easier to manage the business.
- There are a lot of families staying at the hostels.
- There are a lot of new hostellers (people looking for budget accommodation).
- Dormitory accommodation is doing ok.
- Since May there has been a slowdown in the number of daily bookings.

Association of Scottish Visitor Attractions, Gordon Morrison
- The recent ASVA sector wide survey has been published and is now available on the ASVA website. The survey ran from late April to mid May 2022. Click here to view the highlights. It was noted that the initial findings from the STA Industry survey which recently closed mirrored the results from the ASVA survey. It was noted that the narrative may have moved on from survival to speed of recovery, scale of recovery and the challenges of recovery.
- April 2022 visitor numbers to ASVA attractions have just been published on the ASVA website. Click here to view the highlights.
  - Overall visitor numbers in April 2022 were -25% vs 2019 and -31% YTD vs 2019.
  - Cities still not doing as well as rural areas, on average cities in April were -27% vs 2019, remote rural areas in April were -13% vs 2019.
  - Family attractions are performing better than non-family attractions / attractions which would typically attract more of an international audience. For example, Edinburgh Zoo in April was +7.4% vs 2019 and Edinburgh Castle in April was -39% vs 2019.
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- ASVA has released a new video highlighting the career opportunities available within the attractions sector in Scotland. It was noted that it has received good press coverage and has also been picked up by partners such as DWP. Further activity is planned to highlight career opportunities in the weeks ahead.

  The group were asked to share the video through their networks. [https://www.youtube.com/watch?v=UFWVls8Un0o](https://www.youtube.com/watch?v=UFWVls8Un0o).

- ASVA are currently in discussions with Good Journey, (a UK wide organisation which promotes car free leisure travel) to look at how they could work together to push car free travel to visitor attractions in Scotland. A further update will be provided to the group as the relationship develops.

3. Meeting Close

- RD thanked everyone for joining the call and noted the importance of continuing to gather sector intelligence. The following points were summarised:
  - Anecdotal feedback would suggest that May numbers may be softer than expected however there is a general optimism about June, July and August. Concerns remain about September / October and beyond.
  - The language being used to describe the current market situation needs careful consideration. The picture is complex and mixed. There are may good news stories however there are also significant challenges which should not be underestimated. It was noted that STERG should consider a common narrative which could explain the situation succinctly.

  **Action: RD to raise at STERG the need for a common narrative which accurately reflects the current tourism picture in Scotland.**

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Next Meeting
The next meeting will be scheduled for Wednesday 29\textsuperscript{th} June, 9.00am-9.30am.