Sterg Sector Update Session
Wednesday 6th October 2021

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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 Tourism Alliance</td>
<td>Karen Christie</td>
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<td>Historic Houses</td>
<td>Andrew Hopetoun</td>
<td>VisitScotland</td>
<td>Rob Dickson</td>
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<td>Hostelling Scotland</td>
<td>Margo Paterson</td>
<td>Wild Scotland</td>
<td>Victoria Brooks</td>
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<td>Scottish Golf Tourism Development Group</td>
<td>Stuart French</td>
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<td>British Amusement Catering Trade Association</td>
<td>John White</td>
<td>Sail Scotland</td>
<td>Alan Rankin</td>
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<td>British Holiday &amp; Home Parks Association</td>
<td>Jeanette Wilson</td>
<td>Scottish Agritourism</td>
<td>Caroline Millar</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>Independent Hostels</td>
<td>Gregor Barclay</td>
<td>Scottish Guest House and B&amp;B Alliance</td>
<td>Sinclair Williamson</td>
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<td>Night Time Industries Association</td>
<td>Donald Macleod</td>
<td>UKHospitality (Scotland)</td>
<td>Leon Thompson</td>
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Key Notes & Actions

1. Introduction
   - RD welcomed everyone to the call and noted that the format of the call would follow previous meetings with a brief update on STERG recovery activity (Phase 1 and Phase 2), followed by an opportunity for all Sectors to contribute any comments or highlight any issues.

2. Tourism Recovery Planning

   Phase 1 Immediate Recovery Projects
   - All ten projects are at green status. The latest project update (4th October) will be published on VS.org imminently. The next update will be at the beginning of November. 
     Click here for the latest update

   - Destination & Sector Marketing Fund (Administered by Visit Scotland)
     - 73 awards being made across Tiers 1-3, £2.9m to be awarded.
     - Payments are now being processed for all successful applicants.

   - International Demand Building
     - The new ‘Scotland is calling’ marketing campaign launched on 30th September and will run to March 2022.

   - Inbound Operator Collaborative Marketing Fund (Administered by Visit Scotland)
     - Launched on 14th September, open to applications from 12pm on 23rd September. Application deadline extended to 6th October.
     - The fund was developed with input from UKInbound, SDMA and Golf Tour Operators.

It was highlighted that businesses have found the application process for this fund incredibly complicated and has been a major barrier (for some) to applying for the fund.

It was noted that the landscape for distributing large sums of public funding and the legislation around its use, is extremely complex, however it’s clear that the process needs to be as simple as possible for
businesses and sector organisations.

It was also noted that it is critically important to be able to demonstrate good use of public money, for example at parliamentary committees or to auditors etc and it was suggested that there could be a case for additional business support or skills development if businesses are being asked to do work which they do not have the capability to carry out.

Sector organisations are encouraged to continue to feedback comments on the funds as it is very helpful to have this information when discussing with SGov.

Moving forward every effort will be made to ensure that future funding programmes find a middle ground between providing the necessary evidence to demonstrate how public money is being spent and an application process which is as accessible as possible

- **ScotSpirit Holiday Voucher Scheme**
  - Businesses (accommodation and visitor attractions) can still sign up to join the scheme. [Click here to find out more and to register](https://findbusinesssupport.gov.scot/)
  - Over 110 businesses have now signed up
  - Beneficiaries launch planned for 13th October

- **Days Out Incentive Scheme**
  - Guidance launched on 24th September.
  - Applications open from 5th October until 12th October
  - The promotion will run from 4th November to 18th February.

  It was noted that ASVA worked closely with VisitScotland to shape this fund. This has resulted in a fund which meets the need of the industry and is not an onerous application process to complete. It was highlighted that there were some initial issues raised by industry when the guidance was first launched, however these were resolved by VisitScotland within 48 hours.

- **Leadership Development To Boost Product Innovation**
  - The Scottish Tourism Leadership programme is open to applications.
  - There are three programmes, Introduction to Tourism Leadership, Communities Leading in Tourism and Destination Leadership Programme.
  - All development programmes are free to participate.
  - Sector organisations are asked to promote to the programmes to their members.
  - Find out more about each of the programmes [HERE](https://findbusinesssupport.gov.scot/) or alternatively [https://findbusinesssupport.gov.scot/](https://findbusinesssupport.gov.scot/)

- **Tourism Observatory**
  - Research is continuing to provide a clear picture of the needs and wants for data/information from the tourism and events industry.

### Phase 2 Development of the Recovery Plan

- STERG submitted their recommended, short term (2 year) recovery proposals to the Scottish Government at the end of August. Funding has yet to be secured to support the proposals however all SGov funding channels are being explored by the SGov Tourism & Hospitality team.
- A public document which outlines the recovery recommendations is in development and will be published within the next few weeks.
3. Sector Issues To Be Raised At STERG

RD reinforced that the collective input from the fortnightly STERG Sector call and the STERG call was incredibly important. The contributions and evidence provided are critical to being able to inform Scottish Government about the current status of the sector.

Association of Scottish Visitor Attractions, Gordon Morrison

- ASVA and the Moffat Centre conducted a survey of the visitor attraction sector during the first two weeks of September to understand the recovery status of the sector. Key conclusions of the survey include:
  - 7.2% of visitor attractions are reporting visitor numbers at or above pre-pandemic levels.
  - 5.5% operating with a turnover at or above 2019 levels.
  - Despite multiple media reports to the contrary, there has been no staycation boom or widespread recovery for the attractions sector. This sector is still in survival not recovery. This statement is supported by the survey which has found that 1 in 5 attractions are holding less than three months financial reserve as we move into winter.
  - There continues to be a lack of investment in the sector. Just under 45% of attractions reported less or no investment in new facilities and infrastructure in the 21/22 year. 42% have seen less or no investment in staff development.
  - Recruitment is a challenge, almost 1 in 3 attractions are operating on reduced hours due to staffing issues.
  - The most significant barriers to recovery which were highlighted by respondents are the lack of international visitors and ongoing consumer nervousness from the domestic market about visiting crowded indoor spaces. There is continued uncertainty as to when recovery may happen as it is not clear when international visitors will return in any great numbers or when current domestic nervousness will lift.
  - The key asks of the sector are linked to the key challenges, namely further action to encourage domestic and international visitation and there was a strong indication that attractions wanted an incentivisation scheme like the Days Out scheme – these are being addressed through the recovery programme.
  - The attractions sector continues to lead the way in suppressing the virus (as many others in the tourism sector are). 92.8% of the attractions sector continue to operate with additional COVID mitigating measures, above and beyond those required in law.

- The survey has been sent to Kate Forbes and Ivan McKee and a meeting has been requested to discuss in greater detail.

Historic Houses, Andrew Hopetoun

- The results of the ASVA survey resonates with Historic Houses members.
- From an Historic Houses perspective, the key point for STERG to note is that the losses suffered over the last two years are going to take c. five years to recover from. The five year estimate assumes a legislative, fiscal and taxation landscape which is similar to what exists now, with a recovery in international tourism in particular as well as tourism more generally. It is important to emphasise to Scottish Government that the sector will not be back to ‘normal’ within a year or two and therefore a five year recovery timeframe must be looked at. Already there are potential barriers to recovery, e.g. short term let legislation. It must be emphasised that this is a badly bruised and battered industry and not an industry which has bounced back and therefore ripe for new fiscal or legislative measures.

Wild Scotland, Victoria Brooks

- The points made by AH also resonates with Wild Scotland members and the outdoor sector.
Scottish Tourism Emergency Response Group (STERG)

- A recent survey suggests that 50% of operators in the outdoor sector want to stay open in the winter however there is concern about whether the rest of the sector will stay open, accommodation providers, hospitality etc due to the current issues being faced with staffing and supply chain.
- 25% of members are marine day boat operators (wild life watching boat trips), these businesses are now closed until April 2022. Next spring will be a struggle for these businesses and therefore there is an ask to look at an incentive scheme, like the Days Out scheme for operators that are closed through the winter and not able to benefit from current schemes.
- There are businesses within the sector who have had to remain closed for two years (4% of survey respondents), these businesses have not been able to operate due to guidelines and are now facing another winter.
- Recruitment challenges are ongoing. It takes a long time to train instructors and guides, this needs a long term solution.
- 35% of survey respondents had two-three months financial reserves, 10% had no reserves.
- There is real concern within the sector about the long winter ahead.

Association of Scotland’s Self-Caterers, Fiona Campbell
- A recent ASSC survey has found that the single biggest threat to the sector is Short term Let Licensing.
- The ASSC recently met with Fergus Ewing and Shona Robinson, Cabinet Secretary for Social Justice, Housing and Local Government. The meeting was very positive and it was suggested that there could be signs that ‘the ship may be turning’.
- The ASSC’s proposal for an exemption for registered accommodation has been shared with the group. The group are asked to consider ways to use this to support the goals which the ASSC are trying to achieve.
- The survey showed that 55% of businesses would consider removing their property from holiday letting if licensing was to come in and 30% of those will leave the properties empty as second homes.
- FC thanked everyone in the group for their continued support.

Scottish Tourist Guides Association, Kenneth Bramham
- The STGA are currently surveying their tour guide members.
- Business has been very bleak for tour guides.
- There has been some cruise sector activity which has been positive for some guides.
- Cruise companies are booking for next year so there is an expectation that this sector will pick up.

Scottish Guest House and B&B Alliance, Sinclair Williamson

The following points were raised via email by the SGHBBA in advance of the meeting.
- The biggest concern for our members at present which I would like to highlight, is that we are fast approaching winter and large parts of our sector have suffered a very poor summer season. They are repaying bounce back loans and face a very bleak winter. The inadequate support that the Scottish Government gave to our sector despite the consequentials received, which fell far short of the support offered to our counterparts in England, Wales and Northern Ireland, places Bed and Breakfast businesses in a dire situation and we would request further support for affected parts of our sector because of this situation.

4. Meeting Close
RD closed the meeting by thanking everyone for their continued support and contributions and summarised where STERG should hold its focus and concentrate its effort moving forward.
- RD shared the following quote, taken from his speech which will be given today at the Destination COP Tourism & Events seminar in Glasgow and which will feature in VisitScotland press activity.

“\textit{We must ensure that we know where challenges remain, where recovery is a hope and survival remains}
Scottish Tourism Emergency Response Group (STERG)

*the key business objective because that is where our focus and effort must be sustained.*

The key message here is that we must maintain a focus on survival while supporting recovery in parallel – this is the space which STERG needs to own. It is important to deliver the Phase 1 recovery priorities and it is hoped that financial support can be secured to implement the Phase 2 proposals, however it is critical not to forget the here and now, this is why the evidence gathered on this Sector call becomes so important as it informs Scottish Government that we don’t have a fully fledged recovery, there is some recovery but there are many who continue to fight for survival.

- It is crucially important for STERG to understand the different place (geographic) challenges and product challenges across Scotland. Different geographies and sectors are recovering at different rates. It is the role of STERG to be able to bring all of this evidence together (with the support of this group and other colleagues) to present a complete picture of the industry to Scottish Government in order to secure the additional support that is needed.

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**Next Meeting**
Wednesday 20th October, 9.00am-9.30am.