Scottish Tourism Emergency Response Group (STERG)

STERG Sector Update Session
Wednesday 20th October 2021

Present:

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<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>Sail Scotland</td>
<td>Alan Rankin</td>
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<td>Scottish Agritourism</td>
<td>Caroline Millar</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>Independent Hostels</td>
<td>Gregor Barclay</td>
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<td>British Holiday &amp; Home Parks Association</td>
<td>Jeanette Wilson</td>
<td>Night Time Industries Association</td>
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<td>Discover Scotland’s Gardens</td>
<td>Dougal Philip</td>
<td>Scottish Country Sports Tourism Group</td>
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<td>Historic Houses</td>
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<td>Scottish Guest House and B&amp;B Alliance</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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Key Notes & Actions

1. General Update

- No further information is available yet from STERG on funding for the Phase 2 Recovery Proposals. Scottish Government are currently waiting on the outcome of the UK Budget on 27th October and the Scottish Budget on 9th December, before making any commitments.

  It was noted that STERG will ensure that the Phase 2 proposals submitted, continue to remain relevant to the changing landscape.

- VisitScotland are focused on promoting the various programmes and schemes that are currently underway, this includes a number of initiatives which have been announced over the past 10 days. It was noted that further activity is expected before the end of the month including, Destination Net Zero and decisions on the outdoor funds.

- Phase 1 Immediate Recovery Projects - Scottish Tourism Leadership Programme
  The Scottish Tourism Leadership Programme (STLP), which is part of the ten Phase 1 recovery projects, is live and open for applications – closing dates however for all courses are fast approaching. The group are asked to help to raise awareness of the programme with their members and colleagues. All courses are supported by the Scottish Government and are being offered free of charge to participants.

Three courses are being delivered as part of this programme. These include:
- Introduction to Tourism Leadership
- Communities Leading in Tourism
- Destination Leaders Programme

Action: KC to forward details of the programme and the three courses for onward circulation.
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3. Sector Issues To Be Raised At STERG

Scottish Tourist Guides Association, Kenneth Bramham
- As reported on the last call there has been some cruise sector activity which has been positive for some guides and cruise companies are booking for next year so there is an expectation that this sector will pick up.
- Some driver guides have seen a slight uptake but nothing significant.
- Most guides are now resigned to the fact that there will be no further work until next season.
- The STGA are currently surveying their tour guide members, as soon as the results become available then they will be shared with the group.
- It was noted that RD will give a presentation at the STGA AGM next year.

Sail Scotland, Alan Rankin
- In the marine sector the boating operators are now closing for the season until April 2022.
- An update on the Outdoors Scotland Tourism Strategy was provided.
  - This is a joint project being run by Sail Scotland and Wild Scotland.
  - The aim is to produce a new strategy for Scotland’s Marine, Adventure and Wildlife industry sectors and to publish it in March 2022 during Scottish Tourism Month.
  - The project has three components. Currently the market research stage is underway, this involves primary consumer research, travel trade research and industry engagement. 19 industry workshops will take place between now and January and consultants BTS (who have been commissioned to deliver the strategy), will conduct 40 1-2-1 interviews across the sector. The industry workshops will be promoted through the Sail Scotland and Wild Scotland network as well as DMOs, the STA weekly news update and VisitScotland news briefing.
  - It is anticipated that the output from this process will be a new customer investment led strategy which will respond to the new consumer as well as respond to the Net Zero agenda. This strategy will also be the delivery vehicle for Scotland Outlook 2030.
  - It was noted that although Scottish Government are supporting the development of the Outdoors strategy no support has been secured for implementation.
- It was highlighted once again that clarity is required on the longer term strategy for sector organisations. The destination and place agenda is clear, however the role of sector organisations within the national landscape, is not clear. Sector organisations have undoubtedly proved their worth throughout the pandemic and yet there is no discussion about where sector organisations will sit moving forward, (outwith this STERG sector forum). It was noted that most sector groups provide marketing, all provide an advocacy role and all provide a role in sector development. It is the role of sector development where sector organisations can add real value – how can sector organisations link into sector development within national strategies?

RD advised that he has had discussions within the last week about where sector organisations should fit within the national framework and although there are no answers at the moment it was noted that this is a live issue which VisitScotland and STERG will return to. It was highlighted that there is a need to reflect on the learnings from the last 20 months in order to understand how we can jointly best manage the issues of today as well as the issues of the future.

Given that we are not yet out of the woods with COVID, it was suggested that current arrangements are kept in place at least over the winter months. It is expected that by early next year there will be a clearer view of what future arrangements would be most appropriate. The intention would be to work closely with sector organisations on these future arrangements. RD suggested that the group considers what their thoughts would be for the future arrangements and in particular consider the following:
1. How could this network operate and be sustained moving forward (and is this something that is wanted)?
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2. What can VisitScotland do to support sector organisations?

UKHospitality (Scotland), Leon Thompson

- VAT
  UK Hospitality have a VAT campaign running to keep VAT locked at 12.5%, it is unlikely that anything will be announced in the budget next week however it is a long running desire to keep VAT down for all hospitality and tourism businesses.
- Business Rates
  100% rates relief will finish at the end of March 2022; this will put a lot of additional pressure on businesses. UKH discussions will continue with the Scottish Government about what leeway they may have to try and keep business rates down. It was noted that this is not looking hopeful right now.
- Shortages
  Staffing shortages and supply chain difficulties are limiting the ability of businesses to operate at the capacity required to generate profit.
- Increased Costs
  Utilities is the main focus right now. Many businesses who are renewing their contracts are being asked for tens / hundreds of thousands of pounds in upfront payments for gas and electricity which is impossible for many businesses.
- Vaccine Passports
  Concern continues that vaccine passports are likely to extend beyond the current applicable settings. It is already having an impact on late night venues however this will also impact hotels and other venues who have licenses to serve alcohol beyond 12pm, this will therefore make Christmas and New Year very challenging for many businesses.

Scottish Agritourism, Caroline Millar

- The Agritourism sector is focused on their conference and the launch of the sector’s growth strategy on 9th & 10th November.
- It was noted that following recent discussions with the Scottish Government, the growth strategy will now be referred to as the industry growth strategy and not the Scottish Government’s. It is hoped that this change does not indicate that the Scottish Government are withdrawing their funding support for the actions which have been identified.
- For the Agritourism sector this is a long term, sector growth ambition and not just about COVID recovery. International colleagues who have been involved in the strategy development process have clearly articulated how they have achieved a sector worth over 1bn Euros, it is now time to see whether Scotland is serious about developing a real Agritourism sector or not.
- Ensuring that the strategy is properly funded and supported across tourism, agriculture and food & drink is key.

Scottish Golf Tourism Development Group (SGTDG), Stuart French

- It was noted that previous issues highlighted by SF about the Inbound Operator Marketing Fund are being considered by VisitScotland colleagues and business support options to address these issues are being discussed.
- It was agreed that a 1-2-1 call between SF and RD was to be set up.
- Concern was raised that direct engagement with Ivan McKee has become difficult. A sub group which is supposed to meet regularly with Mr McKee is not receiving any response to emails.

RD advised that this would be raised with SGov colleagues at STERG to ensure they are aware of the situation.

- The SGTDG was tasked with rewriting the golf tourism strategy. Platform 77, who were commissioned to write the strategy, will present the new strategy to the SGTDG at a meeting next Thursday (28th). Once this has been signed off then it will be presented to the Scottish Government. VisitScotland presence was
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requested at the meeting on the 28th.

Action: SF to email details of the meeting to RD in order to confirm VS representation.

Association of Scotland’s Self-Caterers, Fiona Campbell

• Sector Guidance
  It is critical that sector groups are aware of any changes that are made to the COVID guidance. It is requested that Scottish Government alerts sector groups to any changes in the guidance as this will ensure that the right information is given to members.

• Business Rates
  The date for the next rates revaluation is 1st April 2023, at the last revaluation the self-catering sector had a pan Scotland average increase of 65%, it is vital that this does not happen again. The ASSC has proposed a solution whereby any registration or licensing scheme can underpin the rates revaluation on an annual basis rather than on a 3 yearly basis.

  It should be highlighted to STERG that the ASSC have taken the opportunity to seek to get the rates revaluation right.

• Increased Costs
  Significant price increases are being experienced in energy and fuel etc. Anecdotally the ASSC is hearing that some suppliers will not provide their services to the self-catering sector any more (LPG bulk services in England was an example). This needs monitored.

• Short Term lets Licencing
  The ASSC has welcomed the movement by the Scottish Government on licensing whereby they have excluded over provision from the licensing conditions, however there aren’t any other viable concessions and therefore significant uncertainty remains. It is understood that the SGov have confirmed that the rationale behind the licensing is health & safety. It is also understood that there should be a level playing field and therefore parity across all accommodation sectors, it is therefore questioned as to why would any accommodation sector be excluded from licensing if it is based on health & safety? This has the potential to be discriminatory to small micro businesses who could be faced with a bigger regulatory obligation.

  Assurance is sought from STERG that they are supportive of the self-catering sector which contributes £867m to the Scottish economy. The support required from STERG and the SGov tourism team is not currently visible.

VisitScotland were thanked for their visible support of the sector.

RD advised that the balance between STERG’s responsibility for COVID matters and wider tourism sector or economy issues are now coming to the fore (also reinforced by the points raised by LT and AR earlier). It was noted that the Scottish Government are part of STERG and therefore the views which can be taken by STERG are different to those of VisitScotland which are different to those of the individual sector organisations.

Association of Scottish Visitor Attractions, Gordon Morrison

• The recent ASVA survey results were shared with Kate Forbes, Ivan McKee and the SGov tourism team, it was noted however that no response has been received which is surprising and concerning as feedback or questions have always been received previously.

• The most recent visitor attraction data from August 2021 has just been released, (note that August was the first month whereby all restrictions were lifted). This data once again shows that the sector is in survival and not recovery.
  - Overall there was a mixed performance however this performance is improving.
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- Visitor numbers were down -54.5% vs August 2019
- Wildlife & animal attractions +14%
- Outdoor activity attractions -13%
- Museums & Galleries -63%
- Distilleries (attractions more dependent on international visitors) -70%

- The Irish Government have identified that the sector in Ireland is still in survival mode and not recovery. At the recent AVEA conference the Irish Tourism Minister shared details of the support being offered to the Irish tourism sector in the immediate term to get businesses through to next year. This includes an extension of the job retention scheme to April 2022, an extra 50m Euros in grant support, VAT 9% (to summer 2022). This needs to be highlighted to STERG.

- Applications have now closed for the Days Out campaign. Unfortunately the uptake from businesses has been lower than expected. A quick survey of ASVA members highlighted that although they really liked the scheme the decision to delay the campaign from September to November meant that many businesses had already decided to close for the winter. ASVA and Wild Scotland are in discussion with VS about a possible round 2 in early 2022.

RD noted that this approach makes sense however the challenge is that the funds will need to be used by 31st March 2022. Careful consideration should be given to exploring alternative options. This will be raised at STERG.

**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 Scottish Guest House and B&B Alliance are about to launch a marketing campaign to promote Guest Houses and B&Bs following receipt of a grant from VisitScotland. We hope this will go some way to assisting our members in the absence of the proper support for our ailing sector during this difficult two years.

4. Meeting Close

- RD thanked everyone for attending and for their contributions.

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**Next Meeting**

Wednesday 3rd November, 9.00am-9.30am.