Scottish Tourism Emergency Response Group (STERG)

STERG Sector Update Session
Wednesday 14th December 2022

Present:

<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>Victoria Brooks</td>
<td>Scottish Tourism Alliance</td>
<td>Karen Christie</td>
</tr>
<tr>
<td>Association of Scottish Visitor Attractions</td>
<td>Gordon Morrison</td>
<td>Scottish Hostels</td>
<td>Dominique Drewe-Martin</td>
</tr>
<tr>
<td>Scottish Government</td>
<td>Jonathan Ferrier</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>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>Scottish Golf Tourism Development Group</td>
<td>Stuart French</td>
</tr>
<tr>
<td>Discover Scotland’s Gardens</td>
<td>Dougal Philip</td>
<td>Scottish Guest House and B&amp;B Alliance</td>
<td>Sinclair Williamson</td>
</tr>
<tr>
<td>Historic Houses Scotland</td>
<td>Andrew Hopetoun</td>
<td>Scottish Tourist Guides Association</td>
<td>Gillian Barrett</td>
</tr>
<tr>
<td>Hostelling Scotland</td>
<td>Margo Paterson</td>
<td>UKHospitality (Scotland)</td>
<td>Leon Thompson</td>
</tr>
<tr>
<td>Scottish Agritourism</td>
<td>Caroline Millar</td>
<td>VisitScotland</td>
<td>Rob Dickson (Chair)</td>
</tr>
<tr>
<td>Night Time Industries Association</td>
<td>Donald Macleod</td>
<td>Wild Scotland</td>
<td>Angela Mercer</td>
</tr>
<tr>
<td>Sail Scotland</td>
<td>Daniel Steel</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key Notes & Actions

1. Introduction
- Karen Christie, National Tourism Strategy Project Manager and STERG Coordinator, STA, chaired the meeting in place of Rob Dickson who was attending the first meeting of the Scottish Government’s Regulatory Task Force.

2. Sector Feedback and Comments

Association of Scottish Visitor Attractions, Gordon Morrison
- In a recent survey conducted by ASVA and the Moffat Centre c. one third of respondents advised that their fixed price energy contracts were due for renewal in the next year potentially leaving them in a very vulnerable position. Almost 15% of those respondents highlighted that they could go under as a result. The significant increases in energy bills which is being experienced across the sector is frightening. As an example, one ASVA member has been quoted a 500% increase in their energy costs (£18k per annum -> £108k per annum), as a result this member is now looking to get rid of the business as it will no longer be viable to operate. This example highlights the emergency situation that many attractions still face.
- There is grave concern that the visitor attraction sector will receive no support beyond 31st March 2023, if that is the case, the knock on impact on the tourism landscape could be devastating for Scotland.
- As noted previously, recovery across the visitor attraction sector is inconsistent.
- The latter part of the season has been very good for those visitor attractions who traditionally benefit from international visitors with some attractions reporting numbers to be ahead of 2019, including some Edinburgh city centre attractions which was not expected. These attractions are now looking ahead to 2023 with a degree of optimism. For attractions focused on the UK market there is genuine concern about 2023 due to the current cost of living crisis.
- Concerns have been raised by some members about the draft 2023 Rateable Values for non-domestic properties and what that will mean for their businesses. There is concern that this will be yet another cost that the sector will be hit with.
- There is a real chance that the tourism proposition in Scotland will be a lot smaller next year.
**Scottish Tourism Emergency Response Group (STERG)**

**Association of Scotland’s Self-Caterers, Victoria Brooks**
- News that that the Short-Term Let Licensing implementation has been delayed for six months for existing operators has been welcomed.
- The ASSC is urging the Scottish Government to use this time to reconsider the scheme to avoid disastrous consequences for the industry.

A recent survey by the ASSC to gather evidence on the cost of short term let licensing has now closed. Initial results are highlighted below. Further details can be found here, [https://www.assc.co.uk/the-cost-of-short-term-let-licensing-and-planning-survey-winter-2022/](https://www.assc.co.uk/the-cost-of-short-term-let-licensing-and-planning-survey-winter-2022/)

  - 93% of respondents are very concerned about STL.
  - More than two thirds of respondents are now considering leaving the sector altogether – this is significant.
  - Nearly 50% of respondents are experiencing new mental health problems (1,148 people responded to the survey).
  - 63% of respondents are feeling pessimistic about the future.
  - 94% are concerned that rising utility bills will significantly impact their business costs.

- The ASSC have just completed a snap survey on the potential impact of the 2023 Rates Revaluation. Results are not yet available however initial findings suggest that, according to the draft rateable values, c. 96% of businesses will experience an increase. This may mean that eligibility for the Small Business Bonus Scheme will be impacted for a significant percentage of businesses.

**Scottish Hostels, Dominique Drewe-Martin**
- The hostels sector has now moved into the quieter winter trading period. Turnover is low but that is expected.
- Hikers, climbers and tourists are continuing to visit despite the cost of living crisis which is encouraging to see.
- Rising energy costs remain the biggest concern for the sector.
- Many hostels will be increasing their prices in 2023 to accommodate rising costs. There will be no uniform price increase across the sector. Price increases will be implemented independently.

**3. Meeting Close**
- KC thanked everyone for joining the STERG Sector calls and for their continued contributions. KC reassured the group that the feedback captured today would be shared with STERG at the next meeting on 19th December.

**Next Meeting**
From January 2023 the STERG Sector call will transition to the STA Sector call.

The first STA Sector call will be scheduled for Wednesday 11th January, 9.00am-9.30am.