

**Briefing Paper: Self-Catering in Rural Scotland**

Founded in 1978, the Association of Scotland’s Self-Caterers (ASSC) is the leading source of knowledge on short-term letting and holiday homes in Scotland. The ASSC is the only trade body representing the interests of the traditional self-catering sector. It has more than 650 Members, operating in excess of 7,000 self-catering properties throughout Scotland, and has close links with other European countries, as founding members of the European Holiday Homes Association (EHHA). The ASSC commits its members to maintaining the principles of “quality, integrity, cleanliness, comfort, courtesy and efficiency” and to offering visitors to Scotland consistently high standards within their self-catering properties. The ASSC’s vision is to place our members at the forefront of a professional, vibrant and prosperous Scottish self-catering sector.

**Introduction**

The Scottish Government has introduced an Islands Bill which is currently being scrutinised by the Scottish Parliament’s Rural Economy and Connectivity Committee.

The Bill encompasses a disparate set of issues and aims to strengthen and protect Scotland’s island communities by:

1. Developing a National Islands Plan;
2. Introducing duties on Ministers and relevant public bodies to have regard to island communities in exercising their functions;
3. Protecting the Scottish parliamentary constituency boundary of Na h-Eileanan an Iar;
4. Allowing exceptions, for inhabited islands, to the standard three or four member ward rule for local government electoral wards; and
5. Introducing a regulation-making power for the Scottish Government to create a licensing scheme in regard to works under the sea in coastal waters surrounding islands.

The ASSC welcomes the central thrust of the Islands Bill and its objective of ensuring that the needs of island communities are met now and in the future.

The ASSC wish to take the opportunity presented by this Bill to highlight the importance of the tourist economy to island and rural communities throughout Scotland, including the economic impact of self-catering and holiday let properties.

**The Importance of Tourism to Scotland’s Economy**

Tourism is one of Scotland’s most important industries with its benefit reaching into many different sectors within the wider visitor economy. As highlighted by Scottish Enterprise, it is in fact a crucial “underpinning sector” for the Scottish economy.

In 2016 alone:

* Around 14.5 million overnight tourism trips were undertaken in Scotland;
* GB overnight visitors took 11.5 million overnight visits to Scotland;
* International visitors made 2.75 million overnight trips to Scotland and spent £1.9 billion;
* International inbound visits increased by 6% on visitor numbers in 2015, with international inbound spend also showing increases of 9.1% over the same period; and
* Over 217,000 jobs were supported by 14,090 tourism related businesses in Scotland (8.5% of Scottish employment).[[1]](#footnote-1)

In addition, tourism plays a vital role in sustaining rural and island communities where as many as 15% of the population work in the sector. A study carried out by Visit Scotland revealed that in some communities of Scotland tourism employment accounts for nearly double the national average of 9%:

* Tourism has the biggest impact on employment in Argyll and Bute with 17% of the population employed in the sector.
* Other areas that lead the way in tourism employment include Highlands (14%), South Ayrshire (13%) and Orkney (12%);
* The Highlands was the second highest visited region in Scotland for overnight visitors (1,770,000 trips), while Argyll was the fourth highest (891,000 trips); and
* Local authorities that include the most tourism businesses relative to their population are Argyll and Bute (13.5%) and the Highlands (11.0%).[[2]](#footnote-2)

Furthermore, the latest official figures indicate notable increases in visitor numbers to rural tourism sites in certain areas, including:

* The North Coast 500 route attracted an extra 29,000 visitors to the Highlands, with the area experiencing a 26% annual rise in visitors compared to a 6% increase across the rest of the region;
* The ‘Outlander effect’ on Historic Environment Scotland sites, with those featuring in the television series continuing to see large annual visitor increases – including 44% for Blackness Castle and a 42% rise at Doune Castle; and
* The Isle of Skye continuing to grow in popularity, with Visit Scotland’s Portree centre seeing more than 150,000 tourist visits annually, increasing 5% year-on-year.

The industry is therefore providing a lifeline to many areas that were, until recently, facing economic decline and depopulation.

**The role of self-catering in rural Scotland**

Much of the focus on holiday let and self-catering properties has concentrated on areas like Edinburgh due to debates about the impact of short-term lets on local communities. The role of self-catering properties in rural Scotland is often overlooked.

Over the past few decades, many buildings have been renovated and regenerated as holiday-lets in order to provide a first class visitor experience and such private investment stimulates economic activity elsewhere. The provision of quality self-catering accommodation not only benefits existing local businesses through economic footfall but additional entrepreneurial opportunities are also incentivised by additional tourist numbers, with rural self-catering users normally staying for a week and wanting multiple authentic experiences (e.g. food, outdoor and heritage experiences) during their visit. Local communities can now generate income on the back of increased tourism.

The Federation for Small Business Scotland recently undertook a survey of small business across Scotland’s islands which inquired about the priorities for improving their communities.[[3]](#footnote-3) The paper highlights a number of challenges to businesses in rural and island communities, as well as the local workforce, including:

1. Connectivity: broadband can no longer be seen as a luxury but as a necessity for business and retaining young people and attracting families;
2. Infrastructure: connected transport from the islands to the mainland and city centres is key; and
3. Affordable housing: this is reliant on local authority investment.

There is no evidence to suggest that people are leaving islands and rural communities due to the number of holiday and short-term lets.

**Self-Catering in Scotland: Key Economic Data**

It is important to recognise that self-caterers are legitimate and important members of communities and their businesses contribute to local *and* national prosperity. Estimates from VisitScotland’s *Scotland’s Visitor Survey 2015* show thatapproximately 23% of all tourist visitors to Scotland stay in self-catering and short-term let accommodation.[[4]](#footnote-4)

The Frontline Consultants report, *Economic Impact Assessment of Short Term Lettings on the Scottish Economy*, which was commissioned by the ASSC, reveals the economic impact of all visits made to self-catering providers in Scotland, and also provides an area-by-area breakdown of this expenditure.[[5]](#footnote-5) This independent evidence-based report demonstrates that self-catering is a crucial underlying component of the tourism sector, with the research covering around 17,000 premises. The data clearly shows that the self-catering industry is a significant employer in Scotland, particularly in rural areas, with 76% of self-catering properties located in rural areas.

Overall, it demonstrated that there are 16,949 self-catering holiday and short-term let properties in Scotland. The self-catering sector represents 3.4million visitor nights per year where 1.8million are non-Scottish visitors. The annual direct visitor spend is equal to £723.3 million (£470.1 million from non-Scottish visitors). Traditional self-catering in Scotland supports 10,725 direct FTE jobs and self-catering/short-term rental provides £205.8 million in direct GVA contribution.

The paper provides localised figures for the 15 VisitScotland Regions and some of these are outlined below.

**Argyll and the Isles**:

* 1,584 self-catering properties.
* Accounts for 10% of self-catering properties.
* The Isle of Mull was the fourth most popular visit location for self-catering businesses in Scotland (345 properties).
* Self-catering supports 1,403 FTE jobs.
* Non-UK bookings accounted for 15% of total bookings.
* Self-catering generates £26.9m GVA.

**Ayrshire and Arran**

* 810 self-catering properties.
* The Isle of Arran was the second most popular visit location for self-catering businesses in Scotland (369 properties).
* Within Ayrshire and Arran, the Isle of Arran had the largest number of self-catering properties (369), followed by Girvan (90), Ayr (62), Largs (62) and Isle of Cumbrae (53).
* The region accounts for 2% of self-catering properties.
* Self-catering supports 222 FTE jobs.
* Non-UK bookings accounted for 8% of total bookings.
* Self-catering generates £4.3m GVA.

**Borders**

* 1433 self-catering properties.
* The region accounts for 9% of self-catering properties.
* Self-catering supports 1,824 FTE jobs.
* Non-UK bookings accounted for 6% of total bookings.
* Self-catering generates £35m GVA.

**Dumfries and Galloway**

* 964 self-catering properties.
* The region accounts for 6% of self-catering properties.
* Self-catering generates 926 FTE jobs.
* Non-UK bookings accounted for 3% of total bookings.
* Self-catering generates £17.8m GVA.

**Hebrides**

* 293 self-catering properties.
* The region accounts for 2% of self-catering properties.
* Self-catering supports 265 FTE jobs.
* Non-UK bookings accounted for 18% of total bookings.
* Self-catering generates £5.1m GVA.

**Highlands**

* 4,152 self-catering properties.
* The Isle of Skye (exc. Portree) was the third most popular visit location for self-catering businesses (360 properties) in Scotland, while Inverness was the fifth (330).
* Within the Highlands, the Isle of Skye had the highest number of self-catering properties (360), followed by Inverness (330), Portree (256), Lairg (214) and Aviemore (186).
* The region accounts for 25% of self-catering properties.
* Self-catering supports 4,124 FTE jobs.
* Non-UK bookings accounted for 27% of total bookings (second highest in Scotland).
* Self-catering generates £79.1m GVA.

**Loch Lomond, Trossachs, Stirling and Forth Valley**

* 746 self-catering properties.
* Self-catering supports FTE 621 jobs.
* The region accounts for 5% of self-catering properties.
* Non-UK bookings accounted for 22% of total bookings (fourth largest in Scotland).
* Self-catering generates £11.9m GVA.

**Orkney**

* 50 self-catering properties.
* The region accounts for 0.3% of self-catering properties.
* Self-catering supports FTE 51 jobs.
* Non-UK bookings accounted for 20% of total bookings (fifth largest in Scotland).
* Self-catering generates £1m GVA.

**Perthshire**

* 1,568 self-catering properties.
* The region accounts for 10% of self-catering properties.
* Self-catering supports 1,288 FTE jobs.
* Non-UK bookings accounted for 18% of total bookings.
* Self-catering generates £24.7m GVA.

**Shetland**

* 308 self-catering properties.
* Within Shetland, Lerwick had the highest number of properties (86), Unst (34), Cunningsburgh (14), Brae (9) and Burra (8).
* The region accounts for 1% of self-catering properties.
* Self-catering supports 108 FTE jobs.
* Non-UK bookings accounted for 26% of total bookings (third largest in Scotland).
* Self-catering generates £2.1m GVA.

**Conclusion**

 “Tourism is more than a holiday experience. It creates jobs and sustains communities in every corner of Scotland all year round and is at the heart of the Scottish economy.”[[6]](#footnote-6) **Malcolm Roughead, Chief Executive of VisitScotland.**

Tourism is more than just holidays – it is the mainstay of local economies and helps to sustain communities across Scotland by generating income and creating jobs. The figures from the Frontline Consultants economic impact study speak for themselves in showing the value and contribution that traditional self-catering makes to island and rural communities in Scotland.

While increased visitors to Scotland bring immense social, cultural and economic benefits, media reports over the summer highlighted the disruption caused to remote communities from the surge in tourist numbers. A recent report from Highland Council noted that increased visitor numbers resulted in a strain on phone receptions, public transport, parking facilities, public toilets and Wi-Fi.

To this end, the ASSC support the creation of the Rural Tourism Infrastructure Fund by the Scottish Government, which will provide £6m over two years to provide investment to ensure the services and facilities tourists and communities need are provided. However, this will only go so far and additional funds will undoubtedly be required and tourist infrastructure needs to develop beyond the months of peak demand.

The ASSC, working in dialogue and partnership with other stakeholders in the public and private sector, will seek to grow the sustainable economic benefit of tourism to Scotland’s visitor economy, particularly in our rural areas and island communities.

1. Scottish Enterprise., *Scotland’s key statistics* (October 2017). See: [https://www.scottish-enterprise.com/~/media/se\_2013/documents/scottish%20economic%20facts%20-%20october%202017%20(1).doc?la=en](https://www.scottish-enterprise.com/~/media/se_2013/documents/scottish%20economic%20facts%20-%20october%202017%20%281%29.doc?la=en) [↑](#footnote-ref-1)
2. Visit Scotland., ‘What did we do on holiday? Sustained Scotland’s local communities’, 14/08/17. See: <http://mediacentre.visitscotland.org/pressreleases/what-we-did-on-our-holiday-sustained-scotlands-rural-communities-2106957> [↑](#footnote-ref-2)
3. FSB., *Islands Bill (Stage 1): A Response by FSB Scotland for the Rural Economy and Connectivity Committee* (October 2017). See: <http://www.fsb.org.uk/docs/default-source/fsb-org-uk/fsb_islands-bill_cr_0510.pdf?sfvrsn=0> [↑](#footnote-ref-3)
4. Visit Scotland., *Scotland Visitor Survey 2015* (2016). See: [http://www.visitscotland.org/pdf/Final%20(external%20use)%20Scotland%20Visitor%20Survey%202015%20updated%208%20March%202016.pdf](http://www.visitscotland.org/pdf/Final%20%28external%20use%29%20Scotland%20Visitor%20Survey%202015%20updated%208%20March%202016.pdf) [↑](#footnote-ref-4)
5. ASSC., *Economic Impact Assessment of Short Term Lettings on the Scottish Economy – Final Report* (2017). See: <http://www.assc.co.uk/download/ASSC_Economic_Impact_Assessment_of_Short_Term_Lettings_on_the_Scottish_Economy_-_Final_Report_v1.3.pdf> [↑](#footnote-ref-5)
6. Quoted in Visit Scotland., ‘Tourism is just the job’, January 2017. See: <http://mediacentre.visitscotland.org/pressreleases/tourism-is-just-the-job-1734320> [↑](#footnote-ref-6)