**Hospitality Level System Consultation Call**

**24th October**

We are delighted to see that there has been a revision from the decision on 24th September regarding self-catering accommodation, returning the sector to the same category as hotel / B&B.

This is clearly very welcome where level 0 and 1 are in place. But provides no comfort to those in level 2 above.

ASSC formally asks what provision will be made for self-catering properties that sleep 7+ post 2 November? The extension of the single household restriction to self-catering properties has meant that businesses that accommodate 7+ guests are effectively closed as larger properties are booked by multi-household groups[[1]](#footnote-1). Crucially, no financial support has been provided to mitigate this impact since 24 September, as businesses are ineligible for any of the funds stemming from the current Break Restrictions.

The vast majority of the self-catering sector does not benefit from the job support scheme, or any self-employed support, due to the technical exclusion of income from Furnished Holiday Lets from SEISS[[2]](#footnote-2).

81% of our members are now concerned about the viability of their business[[3]](#footnote-3).

It is important to be cognisant that self-catering businesses are more often than not inextricably linked to the business owners’ dwelling. If a business fails, it may well have a direct link to the owner defaulting on their mortgage and/or becoming homeless. Self-catering assets cannot simply be sold in the current climate.

The ASSC has suggested the following two measures to protect Scotland’s £723m self-catering industry[[4]](#footnote-4):

1. That a bespoke funding package is introduced to support the self-catering sector in response to the large number of cancellations due to coronavirus restrictions, as well as the lack of consequent onward bookings due to the continued uncertainty associated with existing/contemplated restrictions.
2. That the Scottish Government strongly encourages lenders to extend mortgage holidays with no forbearance to ensure that viable businesses can meet basic overhead costs.

The proposed funding model will not be sufficient for, or applicable to, the self-catering sector:

1. Larger properties have not been told to close, but have been rendered unviable due to the reliance on bookings from more than one household.
2. Self-catering is excluded from the eligibility criteria of businesses that have been impacted by restrictions:
“Hospitality businesses such as Bed & Breakfasts or Self-Catering Accommodation providers who are not directly required to restrict how they operate under the Brake Restrictions are not unfortunately eligible for the Hardship Fund.” (Argyll & Bute Council)
3. Not all businesses are on NDR (13%[[5]](#footnote-5)), thus rendering them ineligible. These legitimate businesses should not be penalised for not being on NDR.
4. The self-catering sector relies on pre-booking, which will be impacted by travel restrictions and loss of confidence.

In addition, we would ask:

1. What are the explicit rules regarding travel from one level area to another? The tourism industry will need detail with regard to UK and Scotland’s Tiers / Levels, with advance notice.

### We also need explicit guidance from insurance companies[[6]](#footnote-6) regarding travel restrictions / tier-tier / level-level on both a Scotland and UK level. We understand that It is highly likely that if you accept guests from VERY HIGH alert areas that it would invalidate your insurance.

1. Levels or tiers may be amended weekly: the self-catering sector relies entirely on pre-booking. This model of restriction is simply not viable for businesses that rely on pre-booking: there will be zero business confidence. Again, it will render businesses closed without being formally closed.
2. Meanwhile, some accommodation providers are covered by flexible insurance cover (which is an additional business cost). That requires cancellation prior to 48 hours before arrival. Will the Scottish Government guarantee that changes in alert level will be communicated to accommodate this insurance provision?
3. We need clear guidance on who can stay in self-catering properties in every level area, specifically with regard to workers (not specifically key workers).

We need to harness positivity and a level of hope. Mr Leitch’s comments about a digital Christmas have, we fear, dashed any confidence in bookings over the holiday period.

As ever, the ASSC would like to work with the Scottish Government to get the detail right.

1. https://www.assc.co.uk/the-impact-of-rule-of-one-household-to-properties-that-accommodate-7/ [↑](#footnote-ref-1)
2. https://www.assc.co.uk/uk-government-support-for-furnished-holiday-lets-and-the-self-employed/ [↑](#footnote-ref-2)
3. https://www.assc.co.uk/the-impact-of-rule-of-one-household-to-properties-that-accommodate-7/ [↑](#footnote-ref-3)
4. https://www.assc.co.uk/wp-content/uploads/2020/10/Letter-to-Kate-Forbes-MSP-22-October-2020.pdf [↑](#footnote-ref-4)
5. https://www.assc.co.uk/wp-content/uploads/2020/06/ASSC-Sectoral-Survey-into-Self-Caterer-Access-to-Covid-19-Business-Support-Week-3.pdf [↑](#footnote-ref-5)
6. https://www.assc.co.uk/insurance-statement-on-taking-guests-from-very-high-alert-areas/ [↑](#footnote-ref-6)