



22nd October 2020

Dear Cabinet Secretary,

The Covid-19 pandemic has had a profound impact on Scotland's economy, with many businesses associated with Scotland's tourism and hospitality industries being amongst the hardest hit. Scotland's self-caterers are one such example and many operators are now facing financial devastation.

In September 2020, the Association of Scotland's Self-Caterers (ASSC) and the Professional Association of Self-Caterers (PASC UK) commissioned a report¹ into the impact of Covid-19 on the self-catering sector throughout the UK. This indicated that the self-catering sector suffered losses of over £645million in the 3.5 months of lockdown alone, with a further £1 billion being lost to the supply chain. Interestingly, more than half (54%) of respondents were based in Scotland. This again underlines the importance of our industry not only to tourism but the Scottish economy as a whole.

While the ASSC is appreciative of the grant support provided earlier this year, as well as the joint ASSC and VisitScotland administered fund that assisted those who were unjustly excluded from the aforesaid support, gaps still remain that affect hundreds of viable businesses across Scotland.

The extension of the single household restriction to self-catering properties has meant that businesses that accommodate more than 7+ guests are effectively closed as larger properties would have been booked by multi-household families. Crucially, no financial support has been provided to mitigate this impact as they are ineligible for any of the funds stemming from the Break Restrictions.

Many of these operators are based in some of our rural and remote communities which benefit from the economic boost provided by visitors to self-catering properties and the footfall they generate in tourism and hospitality businesses.

In response, the ASSC commissioned a Scotland-wide sectoral survey related specifically to properties that accommodate 7+, assessing the requirement for additional financial support since their viability is significantly restricted, but they have not been told to close. This highlighted the following key points:

- Almost half of respondents have properties that accommodate 7+ and the vast majority of respondents are from rural areas of Scotland.
- Losses range from £600 to £50,000, with an average loss of £5,415 across respondents.
- Respondents report a lack of bookings since 23rd September and a lack of onward bookings.
- 87% of respondents are on non-domestic rates
- 81% are concerned about the viability of their businesses.
- 24% have commercial debt associated with their business, 36% of whom would benefit from an extension to mortgage holidays to mitigate ongoing fixed costs.

Following on from these concerning developments, the ASSC would suggest the following two measures to protect Scotland's £723m self-catering industry:

¹ <https://www.assc.co.uk/coronavirus-covid-19-business-impact-survey-for-the-self-catering-sector-2020/>

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. This has left many operators, especially those accommodating 7+, with little or no income to meet their financial obligations and continue in business; and
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.

In relation to the first measure, we understand that the UK Government has provided £700m in consequential funding to the Scottish Government. The ASSC would propose that a proportion of any of those funds which will be directed to provide business support to mitigate the impact of Covid-19 restrictions are used to provide targeted funding for professional self-caterers in Scotland to help meet ongoing fixed costs.

We would therefore welcome the opportunity to discuss how the Scottish Government could support these dedicated professional operators that have worked tirelessly over the years to provide the unique hospitality that our country is renowned and who will be vital for the recovery of Scottish tourism.

Yours sincerely,

Fiona Campbell
Chief Executive