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# The Impact of Coronavirus Restrictions: 'Rule of One Household' to Self-Catering in Scotland

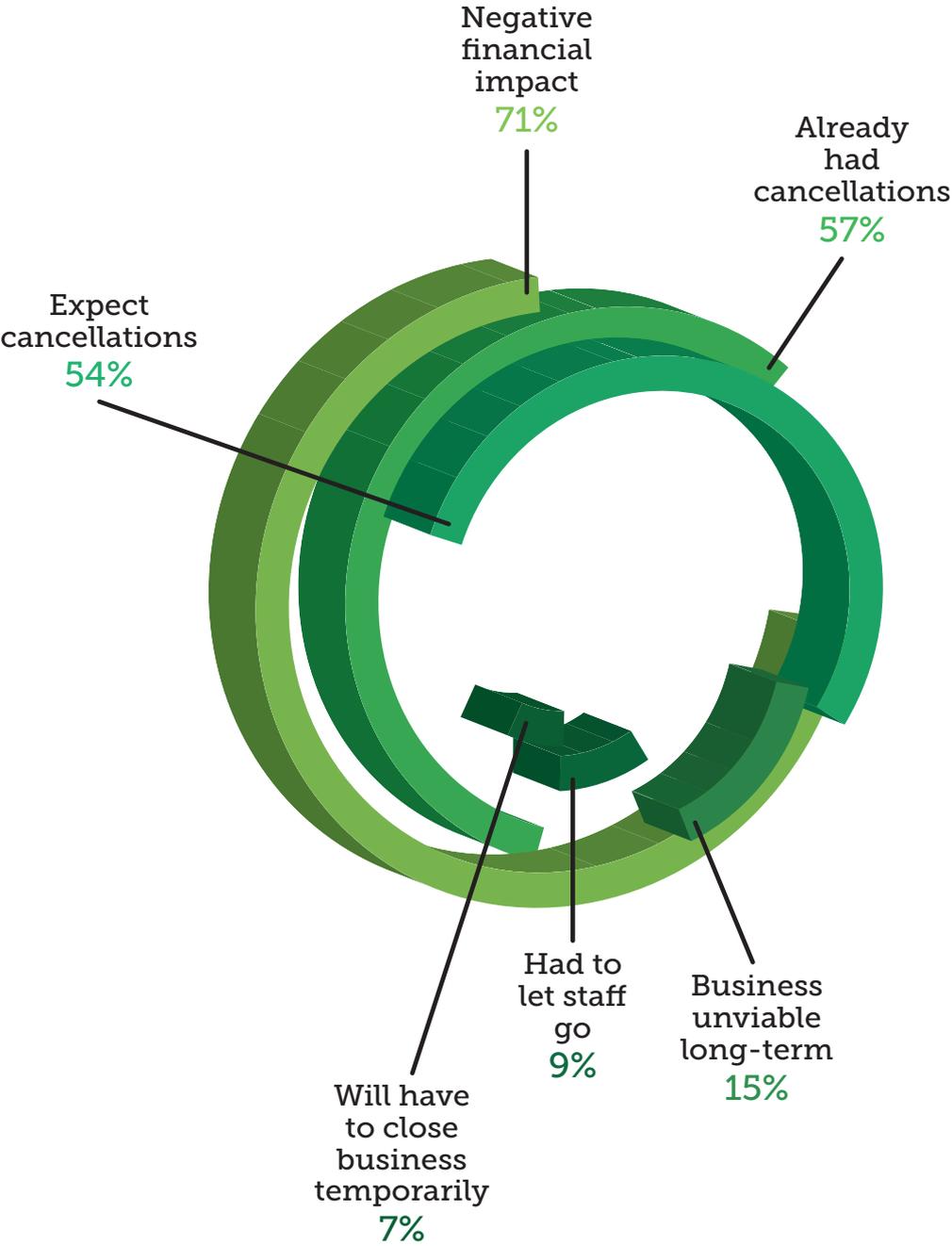
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Association of  
Scotland's Self-Caterers

Supporting self-catering in Scotland

# How is the 'Single Household Restriction' going to impact on your business?



**How do you feel about your business over the next three months?**



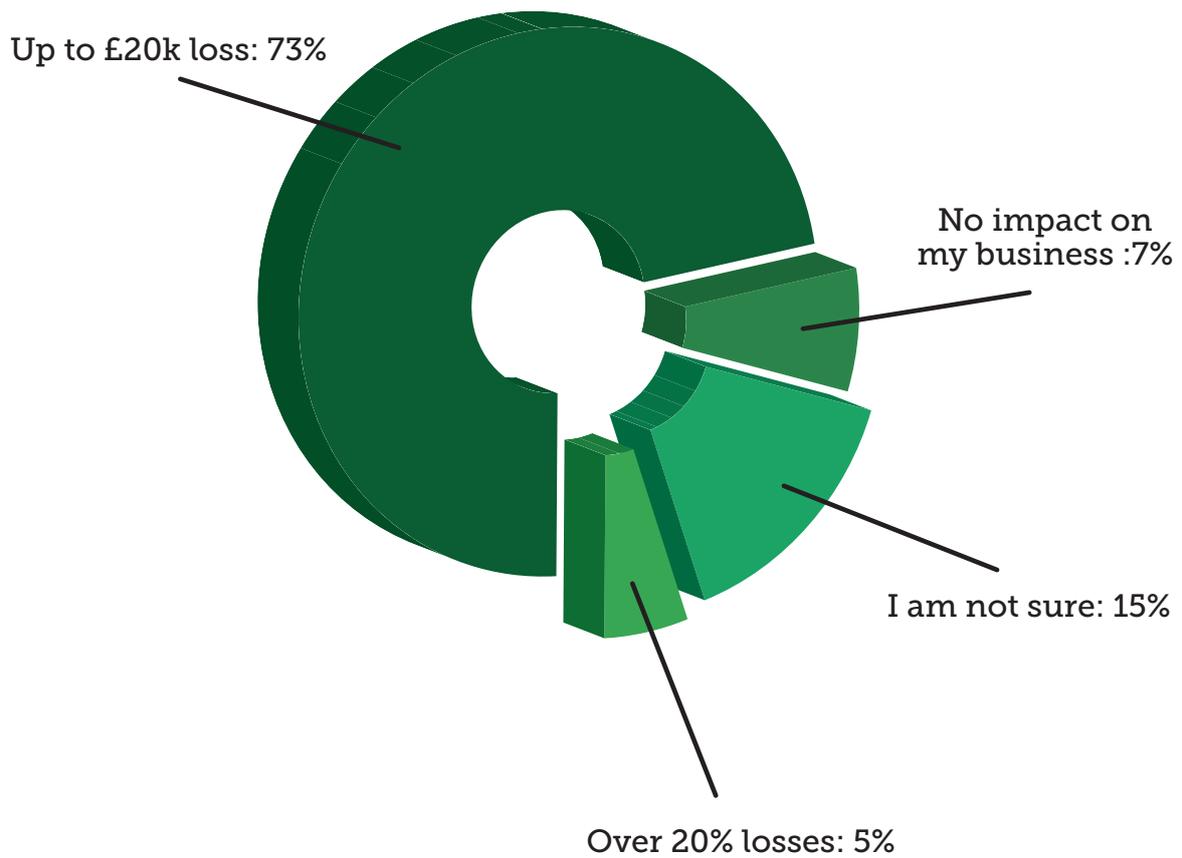
**73% are pessimistic or very pessimistic**

**How do you feel about your business over the next six months?**

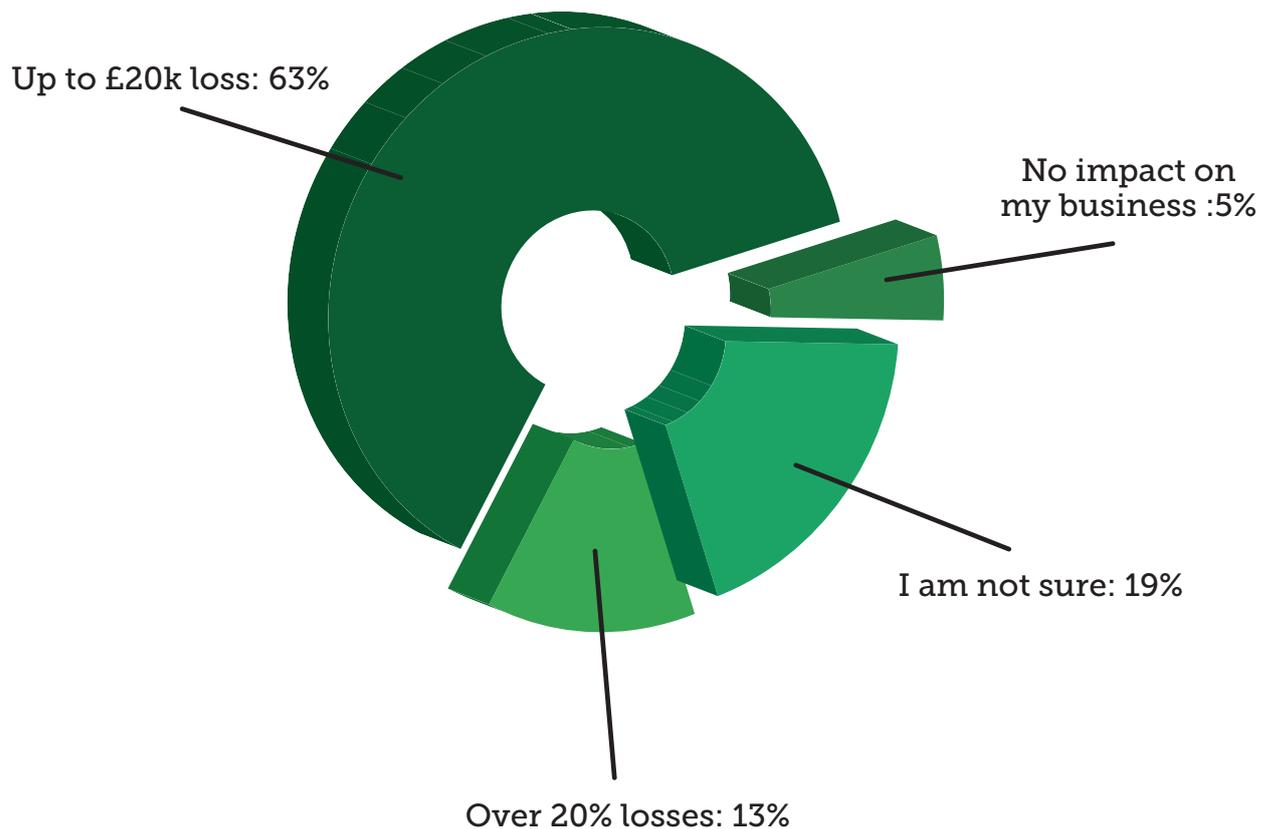


**74% are pessimistic or very pessimistic**

## What will be the financial impact to your business over the next 6 weeks?



## What will be the financial impact to your business until the end of the year?



**Have you, or anyone in your business, suffered from mental health issues impacted by recent announcements?**



**55% said yes**

# ASSC SECTORAL SURVEY: THE IMPACT OF RULE OF ONE HOUSEHOLD RESTRICTIONS TO SELF-CATERING IN SCOTLAND

## Introduction

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 ran a survey in light of the Scottish Government's announcement of further restrictions to social gatherings, excluding the self-catering sector from the Rule of Six down to only one household. This followed the Scottish Government's u-turn on its position regarding self-catering and its inclusion in the cap on the number of households that can meet.

## Background

- On 22 September, the ASSC received assurance from the Scottish Government that the ban on visiting other households did not include self-catering units. This message was shared widely with the press, the public, and tourism stakeholders.
- On 23 September, National Clinical Director, Professor Jason Leitch, appeared on BBC Radio Scotland's Mornings with Jackie Brambles programme and said, *"...you can't have two households in self-catering so that would be like allowing them in your own home."*
- Also on 23 September, following an urgent request for clarification, the Scottish Government told the ASSC first that, contrary to the comments made by Professor Leitch, their advice remained the same and that it was not the intention of the restrictions to include self-catering.
- However, a few hours later, the Cabinet Secretary for Tourism, Fergus Ewing, said that the one household restriction would, in fact, apply to self-catering from Friday 25 September.

## Survey Overview

- This was publicised via ASSC newsletters, as well as on the ASSC's social media pages over 48 hours.
- The online survey elicited 1136 responses from both ASSC members and non-ASSC members alike.
- 608 Members of the ASSC (54% of respondents) took part, with another 528 (46%) non-member self-catering operators.
- The results offer valuable insights from Scottish self-catering operators in a sector that has been estimated to contribute over £723m each year to the Scottish economy.

## Key Findings:

- Almost three-quarters have been negatively impacted financially by the new restrictions.
- Nearly 60% of self-caterers have already experienced cancellations.
- 42% expect financial losses of between £1,000-£10,000 up until the end of the year, 17% expect losses of between £10,000 and £20,000, while 13% expect more than £20,000.
- Three quarters of self-caterers are somewhat or very pessimistic about their business over the next 3 to 6 months.
- The impact is not purely financial as 55% of self-caterers have experienced mental health issues or some mild anxiety associated with the Covid-19 restrictions.
- Nearly 60% would like to see the introduction of financial support from the Scottish Government to help mitigate the impact of the new changes
- Three-quarters want clear communications from the Scottish Government on changes to restrictions.

### Q1. Where is your business based?

Local Authority	Number of Respondents
Aberdeen City	3
Aberdeenshire	48
Angus	24
Argyll & Bute	131
Clackmannanshire	0
Dumfries & Galloway	83
Dundee City	3
East Ayrshire	1
East Dunbartonshire	2
East Lothian	13
East Renfrewshire	1
Edinburgh City	71
Eilean Siar	37
Falkirk	3
Fife	62
Glasgow City	11

Local Authority	Number of Respondents
Highland	364
Inverclyde	1
Midlothian	4
Moray	44
North Ayrshire	33
North Lanarkshire	3
Orkney	21
Perth & Kinross	92
Renfrewshire	1
Scottish Borders	51
Shetland	6
South Ayrshire	18
South Lanarkshire	10
Stirling	42
West Dunbartonshire	5
West Lothian	8

### Q2. How is the 'Single Household Restriction' going to impact on your business?

<b>70.95%</b>	<b>860</b>	<b>financially negatively</b>
57.22%	650	already had cancellations
53.96%	613	expect cancellations
8.71%	99	had to let staff go
7.13%	81	will have to close the business temporarily
<b>15.14%</b>	<b>172</b>	<b>business will be unviable long term</b>
0.62%	7	have been impacted positively
<b>11.71%</b>	<b>133</b>	<b>will experience no impact at all</b>

### Q3. Have you or anyone in your business, suffered from mental health issues impacted by recent announcements?

55% of respondents recorded mental health issues or some mild anxiety as a result of the new restrictions.  
45% of respondents recorded no mental health issues at all.

4.84%	55	have experienced mental health issues before
6.43%	73	have experienced new mental health issues
<b>43.66%</b>	<b>496</b>	<b>have experienced some mild anxiety / depression symptoms</b>
45.07%	512	have experienced no issues at all

### Q4. What will be the financial impact to your business over the next 3 weeks?

17.87%	203	expect financial losses of under £1,000
<b>43.49%</b>	<b>494</b>	<b>expect financial losses of £1,000-£5,000</b>
10.48%	119	expect financial losses of £5,000-£10,000
4.05%	46	expect financial losses of £10,000-£15,000
1.23%	14	expect financial losses of £15,000-£20,000
2.55%	29	expect financial losses of over £20,000
11%	125	aren't sure
9.33%	106	will benefit from no financial impact

**Q5. What will be the financial impact to your business over the next 6 weeks?**

8.01%	91	expect financial losses of under £1,000
<b>34.07%</b>	<b>387</b>	<b>expect financial losses of £1,000-£5,000</b>
<b>20.16%</b>	<b>229</b>	<b>expect financial losses of £5,000-£10,000</b>
6.34%	72	expect financial losses of £10,000-£15,000
3.87%	44	expect financial losses of £15,000-£20,000
5.19%	59	expect financial losses of over £20,000
15.14%	172	aren't sure
7.22%	82	will benefit from no financial impact

**Q6. What will be the financial impact to your business up until the end of the year?**

4.31%	49	expect financial losses of under £1,000
<b>21.48%</b>	<b>244</b>	<b>expect financial losses of £1,000-£5,000</b>
<b>21.21%</b>	<b>241</b>	<b>expect financial losses of £5,000-£10,000</b>
10.39%	118	expect financial losses of £10,000-£15,000
5.81%	66	expect financial losses of £15,000-£20,000
<b>13.38%</b>	<b>152</b>	<b>expect financial losses of over £20,000</b>
18.84%	214	aren't sure
4.58%	52	will benefit from no financial impact

**Q7. Are your bookings covered by a flexible cancellation policy (MasterCancel)?**

24.91%	283	all of bookings are covered by an insurance policy
14.61%	61	some bookings are covered by an insurance policy
<b>60.48%</b>	<b>687</b>	<b>are not covered by an insurance policy provided by the accommodation provider</b>

**Q8. What do you need from the Scottish Government to mitigate the consequences of this policy?**

58.01%	659	financial Support in the form of a Grant
13.56%	154	financial Support in the form of SEISS (Self-Employed Income Support Scheme)
32.31%	367	FHL income to be recognised as Self-Employed & covered by SEISS
75.62%	859	clear and timely communications from the Scottish Government on notifications of changes to restrictions
58.63%	666	clear and timely communications from the Scottish Government to guests
67.78%	770	consistent messaging from communications from the Scottish Government
12.68%	144	other

Comments include:

- *Put plans for holiday let licensing on hold until 2022 or 2023.*
- *Lets not have one message from Scottish Government Lawyers one night and another from Jason Leitch the next day in total contradiction! 2 families from England who legally mix there book a house up here and now we have to say NO! What message does that give I am LIVID.*
- *Push for UK wide same restrictions would be helpful, particularly in our industry, since many of our guests are from south of the border which has caused much concern. I am keeping my guests updated constantly with our Scottish restrictions. But suspect now will be down to very last-minute future bookings as customers never know what's happening on a daily basis.*

- *We have been operating a large operation with approximately 60 people across b and b and self-catering per night and have had no issues even with 2 households. The notice was too short as were unable to contact guests who were arriving at the start if the restrictions as they were on a tour.*
- *Start to balance the actions against the risk. If instead of coming to our holiday cottage as there is more than one family a customer can simply book in to Dunblane Hydro where they can then meet for meals and in the bar etc. A bus trip of 40 people can take people up and down Scotland all contained in one bus but two families who normally spend a lot of time together cannot share a large holiday cottage with their own bathrooms. Makes no sense at all. The government actions are now being driven by sheer panic and hysteria, being able to rattle through laws overnight in a democratic society is shocking. The response is totally out of kilter with the risk.*
- *An extension to the grants awarded during the first period of lockdown. As things stand self-catering business could potentially be looking at around a 60% reduction in their annual income if restrictions include the Christmas and New Year period. Over recent years the market has shown increasing demand for properties capable of accommodating larger groups. Many property owners have invested in their properties to allow them to provide for such parties thereby adding significantly to the Scottish tourism spend. The current restrictions unfairly burden those who have invested heavily in improving their facilities. As a result there have already been a considerable number of larger properties which have been put up for sale thereby potentially no longer providing accommodation for tourists visiting hoping to visit Scotland.*
- *Less politics in the handling of COVID in Scotland*
- *We need consistency across different sectors of the Scottish tourism industry and across the UK. The SNP so blatantly penalise self-catering businesses in Scotland, presumably because of 'Edinburgh Airbnbs' & 'Highland second home owners' that it is bordering on bullying.*
- *A grant for properties without the silly 140 night booking rule like last time. We are not London with bookings all year round! We had a very good season last year with a max stay of 95 at our most popular property. So not even close to the 140 night booking rule.*

**Q9. How do you feel about your business over the next 3 months?**

<b>1.14%</b>	<b>13</b>	<b>are very optimistic</b>
8.89%	101	are somewhat optimistic
16.81%	191	are neutral
<b>43.05%</b>	<b>489</b>	<b>are somewhat pessimistic</b>
<b>30.11%</b>	<b>342</b>	<b>are very pessimistic</b>

This compares to September 2019, when 79% of the membership were either neutral or optimistic about business in the next 24 months, based on the ASSC Barometer.

**Q10. How do you feel about your business over the next 6 months?**

<b>1.94%</b>	<b>22</b>	<b>are very optimistic</b>
10.04%	114	are somewhat optimistic
14.52%	165	are neutral
<b>43.40%</b>	<b>493</b>	<b>are somewhat pessimistic</b>
<b>30.11%</b>	<b>342</b>	<b>are very pessimistic</b>

**Q11. Please comment on how this will affect you and your Business:**

- *We are likely to go insolvent before any meaningful change or grant system from the government will be made available. After 17 years of building up this business, not to mention the huge investment spent on building the website, marketing etc. the one household policy has killed all chance of recovery from what has already been a very damaging year. We thought we might be able to push through but there's no chance of that now. Utterly devastating for our small family business.*
- *We have lost money through cancellations and we expect this to continue. All the Covid rules chopping and changing is confusing, frustrating and creates increased anxiety. If this stretches into Christmas/Hogmanay it will be a disaster*
- *Huge loss of income, unable to pay staff due to amount of extra hours to assist with refunds, and cancelling bookings. We have over 100 properties on our portfolio and all owners have been paid for the next 6 weeks, a nightmare to try and get back monies to pay back guests. The penalties that we incur such as credit card fees, cancellation fees we also incur from online partners like booking.com, so unfair it comes out of our pocket.*
- *We received two cancellations immediately after Jason Leitch's botched announcement and have since received more. This move makes our larger properties completely unviable as they are generally booked by multiple couples or extended families.*
- *We have groups staying diving, boating and wildlife watching over winter. It has taken years to build this business up.*
- *This has crippled us and makes no sense whatsoever. How can it be safe to take three families (two guests and hosts) in a B&B with shared facilities but unsafe to put two families in their own accommodation, each with their own facilities (ensuite/dining/communal) where they will have no contact with anyone else for the duration of the stay. Or for that matter to put them in a hotel, public transport etc. Policy making on the hoof does not work - what a shambles - if we ran our business like this we would have been out of business long ago.*
- *Uncertainty is not good for businesses and changing rules make it hard to plan*
- *This will affect my business massively and as already mentioned in a previous reply I had hoped to expand into another aspect of SC, creating other jobs. I am seriously questioning whether I will pursue this avenue and I am contemplating whether it's worth continuing with holiday let as an additional source of income....that's maybe the overall plan?! It seems the government have a larger issue in mind with this and the planning regulatory changes?! Is it to prevent the average person from earning money 'above their station'?! The whole thing is badly thought out, not based on medical evidence and is a knee-jerk reaction that will destroy many small businesses.*
- *A very new business, invested to set this up and now in limbo. Need the income to protect living here. Will be working hard to fill bookings but going to be much harder. Did not get the grant others got and that is very unfair. Would be better if we got it too.*
- *we had a bad time with no income 5-6 months this year so far we have got some money from mates. With we have just paid back we can make a living if you let us stay open, you are making us go bankrupt*
- *We have a reinvestment programme in the business to enhance its running and improve guest experience. Without the expected levels of revenue this now stops. This was money being spent with other businesses - the multiplier effect of such activity. This is the last thing the economy needs. We fully sympathise with the need to deal with the pandemic. This is not going away any time soon. Most of what we face is inconsistency and a communications cock up. Sadly, we expect things to get a whole lot worse for other parts of the hospitality sector. We should recognise this does present an opportunity. We need the*

*Government to ensure accurate and consistent messaging when we can continue operating and others cannot.*

- the one household affects our cottages bookings and other things we offer while people are staying e.g. stalking guests who have cancelled because they are from more than one household meaning we lose that income as well. We have been fully let since we were allowed to reopen and no one has got Covid who has stayed. It is an unnecessary restriction when we have done so much to make our guests and staff safe. I am outraged by this restriction.*
- My accommodation sleeps 6 and just don't know how I can police the restrictions if people still want to come.*
- It is stressful having to speak to guests and workout the best solution at such short notice. When there are low cases in an area its makes this all the more difficult.*
- Loss of income, uncertain future following a very short season. Disappointed at lack of support and time to implement, then guidelines changing - very confusing - no insurance or support for cancelled bookings for host - so host loses out offering refund of lost booking to guest. Difficult time for everyone.*
- Since the end of March I have only had two good trading months This year before these latest restrictions halted all new bookings again (even domestic bookings). As self-catering is my only source of income and rely on summer earnings to sustain my business Through the winter months. The next six months are looking very bleak.*
- This will have a huge impact on our business. Families come together to cut the costs of their holiday and to spend time together. Also in the winter months we take a lot of workmen and their companies can't afford to put them in individual cottages. We have lost a lot of money this week alone because of the new regulations*
- I am extremely worried about my self-catering business. As a single parent with a disabled son my business allowed me the flexibility I require for looking after him. I am worried about my future ability to generate an income to support us as I have had numerous cancellations due to single household restrictions*
- This financial year is financially crippling. I hope I can hold on until the start of April and hope that next year we will bring in enough income to survive. Grim really.*
- People have already cancelled And more will do so. And maybe others will book Who knows These times are very unusual Actually I am mostly sad particularly for people who live alone who had made a safe bubble with a few other single people or families and grandparents who have made a bubble ... all who were looking forward to coming away and who chose a rural cottage that felt safe where they could be together who have been following rules shielding or being cautious and now can't come. These are not the high risk actions And as we head in to winter this could be devastating to the physical mental and emotional health of our country I would like to see a question in the survey about how this is affecting our customers .. the people who have booked and are having to cancel I would like alternative measures to be considered e.g. 2 weeks quarantine before people from different households come away together And limitations on the number of groups and place people go within a time period rather than some people still being able to see hundreds of people in a day and some seeing non Thank you*
- We already lost all international bookings, but we had hoped the UK ones would help mitigate these losses. Now this is also potentially being taken away from us. What I can't understand is how bed and breakfasts are allowed to continue taking guests- potentially having numerous family groups in one building when self-catering is being penalised. It doesn't feel like this has been properly thought through. This restriction on self-catering could be the final nail in the coffin for many businesses which are already struggling.*

- *The business is now temporarily closed. The building sleeps 10 with a high running cost, its not worth opening with occupancy being so low. I have been investing in the company since start up and have not taken salary or dividends up until this point, but retired just pre-Covid expecting to take dividends from the company going forward until my pensions start. I have received the 10K grant but am not eligible for further support. With the anticipated losses between now and Christmas, the company will have a negative trading year (even with the 10K grant) which means my income will need to come from meagre previous year's earnings. Our odds of reopening depend on how long the 6 people rule lasts, or whether some financial support becomes available,*
- *The importance of Furnished Holiday Let income not being recognised as self-employment means we have had no help so far even though it is our main income and we had no income during lockdown. the new regulations mean that two or three friends on a walking holiday cannot stay and we will be hit again.*
- *Shambolic communications from the Scottish Government, my guests spend on Uber, parking, trams, buses, trains, bag storage, convenience stores, cafes, restaurants, super markets, gift shops, street food, tourist attractions, buskers, the festival, duty free. Their loss will be measurable. It is likely I will sell up and move the money into another sector (property development) which doesn't have the same micro economic advantages.*
- *No positives. All doom and gloom. I am surviving on the goodwill of repeat guests and recommendations I have built up over the last 12 years of operating. No new business.*
- *I feel the ground we were making up between since reopening in July could be lost if we experience a flood of cancellations over the next 6 weeks. The future appears gloomy despite following all Government regulations and advice on cleaning and sanitising. The mixed messages government has given out have done nothing but add to the misery in the self-catering industry.*