

Scottish Tourism Emergency Response Group (STERG)

STERG Sector Update Session Wednesday 22nd September 2021

Present:

Organisation	Representative	Organisation	Representative
Association of Scotland's Self-Caterers	Fiona Campbell	Scottish Country Sports Tourism Group	Chloe Forbes
Association of Scottish Visitor Attractions	Gordon Morrison	Scottish Tourist Guides Association	Kenneth Bramham
Historic Houses	Andrew Hopetoun	Scottish Tourism Alliance	Karen Christie
Independent Hostels	Gregor Barclay	UKHospitality (Scotland)	Leon Thompson
Sail Scotland	Alan Rankin	VisitScotland	Rob Dickson
Scottish Agritourism	Caroline Millar	VisitScotland	Riddell Graham

Apologies:

Organisation	Representative	Organisation	Representative
British Amusement Catering Trade Association	John White	Discover Scotland's Gardens	Dougal Philip
British Holiday & Home Parks Association	Jeanette Wilson	Scottish Golf Tourism Development Group	Stuart French
Hostelling Scotland	Margo Paterson	Scottish Guest House and B&B Alliance	Sinclair Williamson
Night Time Industries Association	Donald Macleod	Wild Scotland	Victoria Brooks

Key Notes & Actions

1. Introduction

- RG welcomed Rob Dickson to the call. Rob will replace Riddell from Friday 1st October and will chair STERG and the STERG Sector call meetings moving forward.

2. General Update

- STERG will now meet fortnightly, the day after the STERG Sector call, this will ensure all issues can be raised immediately with STERG.
- Submissions have been made by all STERG partners to the 10 Year National Strategy for Economic Transformation. It was noted that there will be a strong push from government, (across all sectors of the economy) for a regional focus.
- DCMS published the de Bois review on 14th September. This is an independent review of Destination Management Organisations in England. The report will be raised at STERG tomorrow.
[The de Bois Review – An Independent Review of DMOs in England](#)
- COVID-19 Marine and Outdoor Tourism Restart Fund: Round Two (Administered by Visit Scotland)
 - Applications for Round Two of the Fund are now open until 5pm on Wednesday 29th September.
 - 20 applications have been received (15 outdoor/5 marine). It was noted that this was very disappointing response. Breakdown below:
 - * 9 rejected on the basis they are either an ineligible business type or have already received funding through other funds.
 - * 9 still under review or with an info request pending.
 - * 2 currently approved (although still to be checked by Finance).

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3. Tourism Recovery Planning

Phase 1 Immediate Recovery Projects

- All ten projects are at green status. The latest project update (7th September) has been published on VS.org. The next update will be at the beginning of October.
[Click here to read the latest update](#)
- **Destination & Sector Marketing Fund (Administered by Visit Scotland)**
 - 108 applications received, 73 awards being made, £2.9m to be awarded.
 - Payments have already been made and further payments will be made this week and next.
- **International Demand Building**
 - The new 'Scotland is calling' marketing campaign is expected to launch at the end of September.
 - Industry webinar held on 15th September to share information about the campaign.
[Click here to watch the webinar](#)
- **Inbound Operator Collaborative Marketing Fund (Administered by Visit Scotland)**
 - Launched on 14th September, open to applications from 12pm on 23rd September until 5pm on 30th September.
 - It was noted that there is a lot of interest in this fund.
- **Scotspirit Holiday Voucher Scheme**
 - Businesses (accommodation and visitor attractions) can still sign up to join the scheme.
[Click here to find out more and to register](#)
 - The scheme will run from Autumn 2021 to Spring 2022
 - Applications to the scheme are aiming to open in October
- **Days Out Incentive Scheme**
 - Scheme will be launched on 22nd September.
 - The promotion will run from 1st November to 31st January.
 - The UK National Lottery Days Out scheme will launch in October.
- **Leadership Development To Boost Product Innovation**
 - The Scottish Tourism Leadership programme is now open to applications.
 - There are three programmes, Introduction to Tourism Leadership, Communities Leading in Tourism and Destination leadership Programme.
 - Find out more on www.findbusinesssupport.gov.scot
- **Tourism Observatory**
 - Research is being conducted to provide a clear picture of the needs and wants for data/information from the tourism and events industry. Please take the opportunity to input into this short survey which will shape the knowledge resource for our future.
[Click here to find out more about the survey](#)
[Click here to start survey](#)

Phase 2 Development of the Recovery Plan

- STERG submitted their recommended, short term (2 year) recovery proposals to the Scottish Government on 27th August. These proposals are a result of the extensive stakeholder engagement work that was carried out by Toposophy as well as consultation with the Task Force and other industry representatives.

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- The proposals recommend continuing with seven of the Phase 1 projects beyond the current financial year and recommend six new proposals to address gaps.
- It must be emphasised that funding is yet to be secured for the Phase 2 proposals. STERG are awaiting a response from the Scottish Government on next steps.
- The proposals were acknowledged in the Programme for Government which was announced on 7th September. The PfG states that SGov will “...consider the best approach to Phase 2 recovery work, covering the following 2 years...”
- A public document which outlines the recovery recommendations will be published in due to course.

2. Sector Issues To Be Raised At STERG

Association of Scottish Visitor Attractions, Gordon Morrison

- The visitor attraction sector is still in survival mode and not recovery, this is critical and needs to remain front of mind for STERG and SGov.
- ASVA’s latest survey results are currently being compiled. Over 350 visitor attractions responded. Results so far would suggest that businesses are still in survival mode. This is evidenced by how much reserves attractions have in the bank, which is not very much, the winter is expected to be challenging. The Days Out Incentive scheme should be able to help over the winter.
- July visitor numbers have recently been published by ASVA. Visitor numbers for July 2021 vs July 2019 are -62%, year to date (Jan-July) visitor numbers are -75% vs 2019. These numbers are reflected across the board, small and large attractions, urban and rural locations. Outdoor wildlife attractions have performed better than others. It was highlighted that visitor attractions have only had the opportunity to recover from 9th August.

Sail Scotland, Alan Rankin

- The season for the cruising and charter sector finishes at the end of September. The sector has been moving bookings from last year to this year and where there has been bookings that couldn’t be accommodated this year, they been moved to next year. Although businesses have been busy, a significant cash flow issue has been created which will make the winter challenging. This is a sector which remains in survival mode.

The secondary spend contributed by high spending individuals in this sector, to rural (island) economies, cannot be overlooked. If this secondary spend is no longer there next year due to business failure over the winter then it should be recognised that there will be an impact on the islands.

It was noted that Sail Scotland are about to issue a survey to operators in the sector. Concern was expressed over impending Sail Scotland membership renewals given the continued uncertainty.

- There is concern about future Sectoral vulnerability, particularly the smaller sectors. While it is good to see the destination and place agenda develop, clarity is required on the longer term strategy for sector groups (which undoubtedly proved their worth during Covid).

Scottish Agritourism, Caroline Millar

- Destinations and regions tend to be aligned to and supported by Local Authorities or Enterprise Agencies. There needs to be a better strategy at a national level for sector groups who operate pan-Scotland.

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- Labour supply continues to be an issue for Agritourism businesses and needs to remain on the STERG agenda. It was noted that Labour crisis talks have taken place at a national level within the Agricultural sector.

A meeting with Scottish Agritourism, STA, NFUS, NFU, Road Haulage Association and Scotland Food & Drink will be held next Thursday, 7.00pm-8.30pm on Zoom to discuss the labour crisis across these sectors which are interrelated. Anyone is welcome to join the meeting.

Action: CM to forward details of the meeting to the group.

RG noted that the sector recruitment crisis remains on the STERG agenda as a standing item.

- Food and drink supply issues into the tourism & hospitality sector is a concern (CO2). Food and drink price rises are expected which will impact the tourism & hospitality supply chain just as businesses are trying to recover from Covid. Brexit, labour supply issues and increased haulage rates are all impacting the fragile food and drink supply chain.
- The second meeting of the growth strategy group will take place this afternoon. This work is critical for the future of the Scottish Agritourism sector. The strategy will be launched at the Scottish Agritourism conference on 9th & 10th November.

Association of Scotland's Self-Caterers, Fiona Campbell

- An ASSC summary note will be circulated with the meeting minutes.
- Many businesses are still in survival and not yet in recovery. In addition, within the self-catering sector many businesses are worried about whether they will have a business in two years' time if the SGov continues with their legislation on Short Term Lets licensing. This issue needs to be back on the STERG agenda.

The work of RG and RD behind the scenes with SGov on this issue was acknowledged and welcomed.

- The STA Council call took place yesterday, it was highlighted that the agenda appeared to be driven by hospitality. It was noted that small, rural, micro tourism businesses should be remembered and put higher up the agenda.

UKHospitality (Scotland), Leon Thompson

- Vaccine passports
 - There is concern that this will have a much wider impact than at first expected
 - Clarity is still required on many areas, e.g. weddings and business events
 - There is a risk that visitors from England will no longer want to come to Scotland
 - UKH will be working with the SGov on guidance
 - Investment in communications is needed, targeted at both the industry (to explain what they need to do) and the English market, to boost visitor confidence and ensure Scotland doesn't lose the Christmas and New Year markets.
- Cost of living
 - Costs to business are increasing, e.g. utility providers are asking businesses to pay up front, this is having a major impact on cash flow.
 - Consumers are likely to have less money in their pocket (rising energy prices, rises in national insurance) this will impact discretionary spend such as hospitality and short breaks. VAT rates in hospitality are due to increase to 12.5% from 1st October, this may impact spending patterns.

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- Staffing
 - Despite furlough ending on 30th September the UK Gov will not change its position on migration policy.
 - STA and UKH (Scotland) will meet with Iain Stewart, Minister for Scotland on 7th October
 - The SGov will need to look at how it can help increase the pool of talent that we have available, there is no short term solution to this and SGov need to recognise that they have an important role to play here.
- Business travel
 - An STR presentation at the UKH conference earlier this week highlighted that there is still great uncertainty around the timescale for the return of business travellers, particularly international business travellers. Speculation would suggest that international business travel may not resume until 2024 or 2025, clearly, we are some way off returning to 2019 levels.

Action: RG to follow up with Neil Brownlee on Vaccine passport for business events and the STR forecast for the return of business travel.

Scottish Guest House and B&B Alliance, Sinclair Williamson

The following points were raised via email by the SGHBBA after the meeting.

- The main concern for our members at the moment is the Scottish Government's approach to international travel. We are at a disadvantage yet again to England and the rest of Europe when it comes to attracting international travellers, which seems ludicrous when Covid case rates are lower in other European countries.
- Our sector are also concerned about the situation with energy suppliers and the uncertainty this will bring over the winter months when most of our members have seen significantly lower turnover this summer compared to pre-2019 summer turnovers.

3. Meeting Close

RG noted that this was his last meeting of the STERG sector group and that he would like to thank everyone for joining the calls and for their honest contributions over the last 9 months since the group started.

Next Meeting

Wednesday 6th October, 9.00am-9.30am. New Chair - Rob Dickson.