

Cross-Party Group on Tourism

Monday 13 June, 1-2pm

Minute

Present

MSPs

Paul McLennan MSP
Evelyn Tweed MSP
Murdo Fraser MSP
Siobhian Brown MSP
Stuart McMillan MSP

Invited guests

Vicki Miller, Director of Marketing & Digital, VisitScotland
Sam Coulstock FIH, Head of Professional Development, Institute of Hospitality

Non-MSP Group Members

Scott McMurray, Scottish Parliament
Beth Thoms, VisitScotland
Lee McDonald, VisitScotland
Carolyn Churchill, VisitScotland
Karen Christie, STA
Alasdair Smart, ScotRail
Marc Crothall, STA
Fiona Campbell, ASSC
Gordon Morrison, ASVA
Joss Croft, UK Inbound
Sheila Gilmore, VisitArran
Carole Paterson, Edinburgh College
Andrew McKean, Renfrewshire Council
Colin Wilkinson
Chloe Forbes, BASC
John White, bacta
George Barbour, Inverclyde Council
David Winpenny, HRA
Ross Pollock, LLTTNPA
Orchid Liu
Leon Thompson, UK Hospitality
Gary Atkinson, SCC
Stephen Young, SLE

Susanne Cameron-Nielson, SWA

Apologies

Rachael Hamilton MSP
Alexander Burnett MSP
Paul Sweeney MSP
Foysol Choudhury MSP
Colin Smyth MSP
Jenni Minto MSP
Alison McRae, GCC
David Lonsdale, SRC
Ian McCall, Paths for All
Kenneth Bramham
Margo Paterson, Hostelling Scotland

Welcome

Co-Convener, Paul McLennan MSP welcomed attendees to the meeting and congratulated Marc Crothall on his being granted an MBE in the Queen's Honours.

Minutes of previous meeting

Minutes of the last meeting were approved, and Marc Crothall noted that there would be another survey update from STA in the coming days from which he could provide a summary to the Group. Paul McLennan noted the aviation sector was recovering with the exception of the far east market.

Vicki Miller, Director of Marketing & Digital, VisitScotland

Vicki began by covering some of the data and insight on the picture to date, and then activity. Summary of the picture as it stands is quite nuanced and complex. To date, we have seen a strong Easter, a May and June that could have been better – would have anticipated stronger demand from south of the border. Potentially the May weekend and Jubilee celebrations down south kept people closer to home, however the summer is looking good. And the concern is maybe around autumn and winter, perhaps for a number of reasons, things like the cost of living crisis and how that might impact people's travel plans. We are seeing a shorter lead time for bookings, so people are booking a lot more last minute, which makes it harder for the industry to plan. We're not yet seeing those autumn / winter bookings coming.

Mixed picture with rural areas slightly stronger and cities take longer to recover. Cities with stronger weekends than mid-week. Impacts on sectors like attractions – rural and outdoor doing better than indoor and cultural. 48% of accommodation and food services businesses are experiencing a shortage of workers. Busy areas struggling to

service the demand. Brexit is having an impact on some of our EU markets, particularly things like travel impacted by need for passport which is impacting demand.

Tracking exercise with VisitEngland and VisitWales across the UK, throughout pandemic, so we have been able to track sentiment. Most recent data up to May shows that of those looking to travel they are going to do more domestic breaks than they did last year. A large proportion of these people don't actually know what their travel plans are. 2 in 5 of UK residents anticipating taking a domestic holiday in summer, drops to 1 in 4 in autumn, 1 in 5 planning an international trip.

What is stopping people taking trips, cost of living, fuel, covid, war in Ukraine. Things could change and intentions might not move into actual bookings.

Who intends on taking a holiday in Scotland, Scots remain very loyal although slightly down on last year. NE England, Wales, SW England, and SE of England being particularly important source markets for us. Scots tend to do a rural holiday while English visitors are more likely to do a city break, travel a bit wider and spend more money.

Edinburgh International Airport reporting in May around 77% of 2019 footfall capacity. It is getting there, but not quite at 2019 levels. France and Germany are particularly important markets to us all year. Southern Europe tends to be a bit more price sensitive and requiring a passport is having an impact there. North Europe are the areas that are stronger, particularly the Netherlands, where demand is ahead of where it was in 2019. US is also particularly strong, with demand being very strong.

VisitScotland website traffic is showing signs of recovery too. UK, Germany and Netherlands very strong in terms of VisitScotland traffic.

OTA data, increase from January 2021 in terms of search to booking. This is reinforcing the shorter booking time to travel which is one of the issues we are faced with that makes it very difficult to plan. Expedia are nearly back at pre-covid revenue levels for Scotland bookings.

ASVA insights survey highlighted challenges with front of house staff. Also see ability of businesses to make investment in visitor experience which is important for us to remain competitive. Rural outdoor attractions doing better than cities. Very much still in recovery mode.

General trends are around rural break, sustainable experiences, growth in younger travellers, particularly high-spending travellers. This is a change for Scotland, and there is also a growing trend in luxury travel which we can capitalise on.

More consumers are going to book through travel intermediaries. This will have an impact because if you get direct business your not paying commission on it. But a lot of our international bookings will come with a cost in terms of booking commission. But it does highlight the importance of being present in these channels to attract more international visitors.

VisitScotland is very focussed on the sustainable recovery, looking at how we grow our share of the UK market and encouraging longer stays. Internationally it's been about raising awareness of Scotland, and we've been able to do that with additional recovery monies that we got from Scottish Government, encouraging the industry on their journey to internationalise.

Prioritise US, UK, Germany and France which are really core for that year round market. Also other emerging markets which can return very high value and visitor spend. Working with travel intermediaries to help them sell Scotland on our behalf. 360 million reach just through social media alone, 101 million completed video views of Scottish content across ten markets, nearly £40 million bookings through OTAs.

Murdo Fraser MSP asked, what has happened to the over 55-year-old market?

Vicki noted that it is returning, but that with group travel there is a tendency to travel in smaller groups, domestically and internationally. That's better for Scotland, because we have more product that caters for the small group with the higher value visitor. It means we can get more of these tours into more areas of Scotland, eg. the South of Scotland.

Murdo Fraser MSP followed with a question around the negative press around airport chaos and if that was having any impact.

Vicki suggested that we would pick this up in the next wave of UK / international trackers as this disruption has been happening fairly recently. Anecdotally it is probably having an impact. People are more likely to holiday at home, both due to money and due to issues around travel still lingering. The issue for us is more the visa one for European visitors, which puts Ireland at an advantage at the moment.

Stuart McMillan asked a question about golf numbers from the Nordic countries.

Vicki said she did not have specific numbers but noted that demand for golf was extremely high at the moment and the Nordic countries were part of that. She suggested that demand was outstripping supply at the moment.

Marc Crothall added that American bookings have been holding over their bookings from previous years so that is also causing problems. LENR railways back up to good levels driven in part by recovering airport traffic. Got strikes to contend with too. Forward bookings when looking at STA surveys 50% of respondents said they are looking at fewer bookings. Level of discretionary spend requires international footfall as they are the ones that spend more. About 50% are showing a decline in discretionary spend in the current climate.

Paul McLennan summed up about the picture being cautiously optimistic. He introduced Sam and handed convenorship of the meeting to Evelyn Tweed MSP.

**Sam Coulstock FIH, Head of Professional Development,
Institute of Hospitality**

Institute is 84 years old, professional body for hospitality professionals globally, with about 14,500 members. With a very active and productive branch in Scotland Chaired by Andrew Thompson. There to provide members with professional development opportunities. 5 Pillars to Hospitality Management; customer, business, leadership, self-care and team. Support members through professional development through our library, pod casts, webinar, article etc. Grade all our members as either an associate, member or a fellow. To become a fellow you need to demonstrate your professionalism and have done five years as a member.

Facing challenges with recruitment. Brexit and covid being the main causes of this. Declining numbers of students and apprenticeship starts. Work is trying to engage with the schools and education providers to help them understand the pathways to a career in hospitality, learn more about the sector and encourage people into and to stay in the industry for a long time. Joining an professional body like IoH helps their professional development growth, which is also a great message to parents. Mainly working in Scotland with Springboard to raise awareness of careers in that area, and Skills Development Scotland are very supportive of the work that Springboard are doing and that we are supporting.

Industry is not just hotels, also employs a lot of IT consultants, HR, etc, which is another strong message to sell the sector. Also about visitor attractions such as the Royal Yacht Britannica. Cost of operating, staff costs, supplier costs, transport costs have all gone up. For example, the cost of cooking oil has gone up 6% in the last few months, which is a lot when it is being bought on bulk. Some members are reporting a drop in footfall because prices are starting to raise. Regular customers are coming less, and only when it is a special occasion, so expectations are also higher when guests are visiting. Add to this a fluid workforce there is a difficulty to maintain consistency across your brand or business. This is a difficult period for trading, but on the bright side businesses can see that demand is back.

Work with education providers in qualifications and apprenticeships. In England we've just joined the Institute for Apprenticeships and Technical Education as part of their employer board and in Scotland we're working very closely with the Hospitality and Tourism Scottish Apprenticeship programme where we're cross fertilising learning between establishments so quite recently we managed to bring students down from Scotland to London to see some five-star hotels to give them an insight into hospitality in England. And likewise we are taking students from London up to Scotland to see Mary Culter House and Royal Yacht Britannica. Professional development within qualifications to help the learners upskill and help them understand why to work in the hospitality industry.

College Restaurant of the Year finals, Glasgow City College at those finals. Great to see colleges push their students to be the best they can and have that interaction with industry. Raise the profile of front of house staff.

Institute is looking to become Chartered status to allow for a fourth level; namely a chartered professional. Hope to achieve this within the next three to five years.

Try to help our members overcome the labour shortage through sign posting and and means they can.

Evelyn Tweed MSP offered support in terms of comms or anything to get the message out.

Sam Coulstock noted that IoH had been working with Emma Harper MSP and had planned to write to the Minister for Tourism.

Lean Thompson took the opportunity to echo everything that Sam Coulstock highlighted in his presentation. He noted the sector is facing an unprecedented crisis in terms of recruitment which won't be a quick fix. UKHospitality put out a strategy looking at how the sector needs to unite in order for it to make a significant difference – he offered to share this with the group. Colleagues are also working on an action plan. A lot of this requires input from both of our governments. Fair Work Convention begins its enquiry into hospitality tomorrow and will run for about 2 years. Focussed on trying to arrive at best practice – opportunity to dispel some of the myths.

AOB

Evelyn Tweed MSP noted the Year of Stories Reception will be held on the evening of Wednesday 14 December. Asked people to hold the date.

Marc Crothall added remarks around frustration of the visa difficulties. Gleneagles pay £25,000 to get access to the Home Office hotline. Most businesses cannot do that. We need an international workforce, can the Scottish Government continue to put it's weight behind that argument.

Sheila Gilmore asked if Vicki's presentation would be shared. It was confirmed that this would be done.