Dear Joan,

Thank you for your letter of 22nd May 2020 following the Committee session of 14th May. This letter provides you with an update, as requested, in advance of the Committee session on 25th June which I am attending.

Parliamentary Statement of 10th June

My statement of 10th June set out the Scottish Government’s proposal for a provisional timeframe of 15th July for the opening of the Tourism and Hospitality sector, in line with Phase 3 of the Route-map.

The aim of providing an indicative and conditional date to the Tourism and Hospitality sector was to address the growing concern within industry that in the absence of any clarity on dates they cannot continue to sustain a holding position. The need to avert, if at all possible, business failures and job losses, and to provide lead times to prepare and take bookings, called for the Scottish Government to give what clarity it could on dates.

This is entirely conditional on the scientific and public health evidence and the continued progress through Scotland’s route-map. Despite this necessarily being a heavily caveated and conditional timeframe, from engagement with the industry we know that it was well received.

The tourism sector faces exceptional circumstances. It is a sector amongst those hit hardest from the crisis, and will take a long time to recover. The seasonal aspect makes it particularly vulnerable with much of the 2020 season destined to be lost before reopening. It will of course be necessary for ongoing engagement to manage the messaging and ensure it is fully understood that there are no firm guarantees, but we are sure that businesses will take such a message as a sign of hope for the future.
I also announced that I would be forming a new Scottish Tourism Recovery Taskforce. In addition to specifically addressing the sector’s recovery needs and developing a new domestic visitor marketing campaign, the STRT will be responsible for liaising with other tourism bodies, considering actions being taken by the UK Government, other devolved administrations and international best practice of similar countries in the European Union.

A note of the Taskforce members and its draft remit are at Annex A.

Publication of the guidance

On 18th June the Scottish Government published guidance for the tourism and hospitality sector in Scotland. The guidance will aid the safe reopening of the sector, the majority of which has been given an indicative date of 15 July, pending progress to phase 3 of the route-map. Some parts of the sector may open in an earlier or later phase.

The guidance sets out a risk based approach and the core public health measures that will need to be taken to allow safe reopening, including:

- Establishing physical distancing including organisational capacity, queue management, signage and markings
- Enhanced hand hygiene measures and cleaning practice
- Advice on workforce planning, including training and equality issues
- Guidance for customers to ensure they know how to plan ahead and engage safely with the tourism and hospitality sector

The guidance has been developed in partnership with industry, unions, and the appropriate regulatory bodies.

UK Government Engagement

Our engagement with the UK Government continues as we seek to both press the UK Government to recognise and act on the need for ongoing support for the sector, and work with the UK Tourism Minister to deliver a coordinated approach to recovery which benefits the four UK nations. This collaborative approach taken on the fortnightly calls I have with my counterparts across the UK has been very helpful in discussing and progressing issues of mutual interest, concern and benefit and I expect this to continue over the coming months as the sector begins to reopen across the UK.

Nigel Huddleston MP’s letters of 9th June, responding to my letter of 26th May, and the letter of 9th June from Kate Forbes and me to the Chancellor, are at Annexes B and C respectively.

Engagement with the Tourism Sector

Ongoing engagement with the sector has been a critical part of our response to the coronavirus. Between 23rd March to 16th June I have had around 50 meetings with sector, including regular calls with the Scottish Tourism Alliance Council, and numerous meetings with Chambers of Commerce, businesses and sectoral organisations to hear directly about the issues facing them both in terms of support and when they are preparing for reopening.
I trust this will provide a sufficient update on the Scottish Government’s activity to support the tourism sector for now, and look forward to exploring these issues in more depth on 2th June.

Yours sincerely,

FERGUS EWING
Scottish Tourism Recovery Taskforce

Remit of Group

The Scottish Tourism Recovery Taskforce (STRT) is responsible for strategic oversight of, challenging, and advising on, recovery plans in response to the Covid-19 impact on Scottish tourism and hospitality.

The STRT will not have responsibility for delivery of recovery plans. These will be delivered through the Scottish Tourism Emergency Response Group (STERG) and, specifically, its member organisations. The STERG will report regularly to the STRT on progress.

STRT is responsible for liaising with other bodies/groups as necessary and for ensuring that the tourism recovery plan is fully coordinated with wider Scottish Government and other relevant sectoral recovery plans, and with our tourism strategy Scotland Outlook 2030. It will, also take into account in its activity, wider actions being taken by the UK Government, other devolved administrations and international best practice, including that of the European Union.

Subgroups

Subgroups of the STRT may be formed to support its work.

Administrative arrangements

It is intended that the group meet once or twice a month to allow work to flow to and from STERG.

Meeting papers will be issued by the Secretariat around 3 calendar days before any meeting. Tabled meeting papers will be published online.

A short note of the meeting will be produced by the Secretariat within 2 days of the meeting date. All notes of meetings will be published online within once month of approval by the taskforce Chair.

Suggested initial workplan - Draft

Based on initial analysis it is recommended that the new STRT gives early consideration to the following. This list is not exhaustive and we may also want to consider areas such as food and drink tourism, marine tourism etc.

i) Urgent review of funding support access

ii) Working with devolved administrations and UK Government on UK level interventions

iii) Short to medium term stimulus package

iv) Review of investment and ownership models for larger hotel chains and businesses

v) Domestic visitor campaign

vi) Employee training and skills development

vii) Early consideration of events sector recovery

viii) A public conversation about tourism and the benefits for local communities
Membership

Chair – Cabinet Secretary for Rural Economy and Tourism

Vice Chair – Minister for Business, Fair Work and Skills

Members

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<thead>
<tr>
<th>Name</th>
<th>Position / Organisation</th>
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<tbody>
<tr>
<td>Malcolm Roughhead</td>
<td>CEO, VisitScotland</td>
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<tr>
<td>Marc Crothall</td>
<td>STA CEO</td>
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<tr>
<td>Willie Macleod</td>
<td>Executive Director, UK Hospitality in Scotland</td>
</tr>
<tr>
<td>Stephen Leckie</td>
<td>CEO of Crieff Hydro &amp; Chair STA</td>
</tr>
<tr>
<td>Angela Vickers</td>
<td>Apex Hotels, Chair HIT Scotland</td>
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<tr>
<td>Gordon Dewar</td>
<td>CEO, Edinburgh Airport</td>
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<tr>
<td>Freda Newton</td>
<td>MD, Jacobite Cruises</td>
</tr>
<tr>
<td>Robbie Drummond</td>
<td>CEO Calmac</td>
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<tr>
<td>Duncan McConchie</td>
<td>SOSE board, owner of Laggan Outdoors</td>
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<tr>
<td>Peter Duthie</td>
<td>MD of SEC</td>
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<tr>
<td>David Sutherland</td>
<td>Director, North Highland Escapes</td>
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<tr>
<td>Jeanette Wilson</td>
<td>British Holiday &amp; Home Parks Assoc</td>
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<tr>
<td>Rebecca Brooks</td>
<td>CEO Abbey Tours, VS Board</td>
</tr>
<tr>
<td>Alastair Dobson</td>
<td>MD, Taste of Arran</td>
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<tr>
<td>Mark Tate</td>
<td>Scottish Chambers of Commerce</td>
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<tr>
<td>Calum Ross</td>
<td>Proprietor, Loch Melfort Hotel, Chairman UKH Scotland</td>
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<tr>
<td>Malcolm Buchanan</td>
<td>Chair of Scotland Board RBS</td>
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<tr>
<td>Lucy Husband</td>
<td>Scotland Food &amp; Drink, UK Market Development Director</td>
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<tr>
<td>Susan Morrison</td>
<td>ASVA, CEO Scotch Whisky Experience</td>
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<tr>
<td>Susan Russell</td>
<td>Chair, Women in Tourism</td>
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<tr>
<td>Lord Thurso</td>
<td>Chair, VisitScotland</td>
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<tr>
<td>Stephen Montgomery</td>
<td>President, SLTA</td>
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<tr>
<td>Alan Rankin</td>
<td>Chief Executive, Sail Scotland</td>
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<tr>
<td>Professor Anna Leask</td>
<td>Tourism &amp; Languages Subject Group, The Business School, Edinburgh Napier University</td>
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<tr>
<td>Colin Smith</td>
<td>CEO, Scottish Wholesale Association</td>
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<tr>
<td>Lucy Byatt</td>
<td>Director, the Hospitalfield Trust, Arbroath.</td>
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<tr>
<td>Suzanne Cumisky</td>
<td>Chair SLAED / P&amp;K Council</td>
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The group will be quorate with two-thirds attendance.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See [www.lobbying.scot](http://www.lobbying.scot)
Dear Fergus,

Thank you for your letter of 26 May on tourism businesses accessing the UK Government's economic support package.

As I said in our recent call, my department continues to monitor COVID-19’s extensive impact on the tourism industry. We remain in regular contact with stakeholders, including UKHospitality, and I value all the Devolved Administrations’ readiness to share information with us throughout the crisis.

Thank you for notifying me of industry members’ suggestions for new support measures which would need funding from the UK Government. I also appreciate you sharing the Association of Scottish Visitor Attractions’ survey detailing some of the Scottish companies with rateable values over £51,000.

The retail, hospitality and leisure business rates relief and the associated grant fund represent a targeted relief scheme aimed at small businesses. Her Majesty’s Treasury (HMT) has set the rateable value threshold at £51,000 to reflect that. As previously mentioned, I encourage ineligible businesses to fully engage with the other strands of the government's UK-wide support package.

I’m glad to hear further positive feedback from the tourism sector on the Chancellor’s recent extension of the Coronavirus Job Retention Scheme (CJRS). I am aware of how strongly many tourism businesses feel about introducing flexibility into the scheme as they plan for the recovery period. The Chancellor has now set out more details on how the CJRS will continue to support jobs and business as people return to work, following the announcement of an extension of the scheme on 12 May.
From 1 July, employers can bring back to work employees that have previously been furloughed for any amount of time and any shift pattern, while still being able to claim CJRS grant for their normal hours not worked. When claiming the CJRS grant for furloughed hours, employers will need to report and claim for a minimum period of a week. To be eligible for the grant, employers must agree with their employee any new flexible furloughing arrangement and confirm that agreement in writing. The scheme will close to new entrants from 30 June. From this point onwards, employers will only be able to furlough employees that they have furloughed for a full three-week period prior to 30 June. From August the level of the grant will be slowly tapered to reflect that people will be returning to work. More details on the CJRS extension can be found here: https://www.gov.uk/government/news/chancellor-extends-self-employment-support-scheme-and-confirms-furlough-next-steps.

I understand that further guidance on flexible furloughing and how employers should calculate claims will be published on 12 June. I recognise the sector's desire for clarity on this and I will keep you fully briefed on any developments through our calls.

We will continue to monitor the situation in the tourism and hospitality sectors as restrictions are gradually eased. We will relay intelligence to HMT and will alert them if any specific challenges develop for the sector over the coming months. In the meantime, I encourage hospitality and leisure businesses to continue to make full use of the UK Government's support package.

On your final point, I recognise that these are extremely difficult conditions for coach operators. Coaches are a vital part of the UK tourism industry, and I know they play a vital role each year in connecting visitors with Scotland's areas of natural beauty. I am also acutely aware of the seasonal nature of many coach companies' trade. I will continue to hold discussions with stakeholders - as well as with my colleagues at the Department for Transport and HMT - on the specific issues facing coach operators.

Thank you again for raising these issues with me. I look forward to holding further constructive discussions with you alongside our Welsh and Northern Irish counterparts on helping UK tourism through this crisis and into the recovery period.

Nigel Huddleston MP
Parliamentary Under Secretary of State for Sport, Tourism and Heritage
9 June 2020

Dear Rishi,

SUPPORT FOR THE TOURISM AND HOSPITALITY SECTOR

We are writing to outline the devastating impact of COVID-19 on the hospitality and tourism sector in Scotland and to ask for your urgent support to develop measures to mitigate the worst impacts of this crisis.

We continue to support Scotland’s businesses by passing on every penny we receive from the UK Government for this purpose, and more, directly to businesses. Our package of support now totals over £2.3 billion and has been tailored to recognise that Scotland’s economy is different to the rest of the UK. For example, based upon our analysis of Non-Domestic Rates data, we estimate that the proportion of properties in the hospitality sector is significantly higher in Scotland (12.9%) than in England (8.2%), although lower slightly lower than in Wales (14%). Recognising the importance of the sector to the Scottish economy, we have developed specific support not available elsewhere in the UK including our £30 million Creative, Tourism & Hospitality Enterprises Hardship Fund and our £120 million Pivotal Enterprise Resilience Fund. These help deal with some of the gaps, but we only have the resources to go so far.

The Scottish Government welcomes the measures that the UK Government has taken to help support businesses since the onset of the pandemic. The Coronavirus Job Retention Scheme (CJRS) and the Self-Employed Income Support Scheme (SEISS) have been valuable as short-term solutions, however, they are insufficient to support the hospitality and tourism sector into recovery.

We have previously raised some of these issues with DCMS (22 April and 26 May letters to the Minister for Sport, Tourism and Heritage) and with yourself on CJRS (most recently, 26 May letter from the Cabinet Secretary for Economy, Fair Work and Culture), however the sector cannot continue to wait. The seasonal nature of tourism means that many businesses rely on a successful summer season to provide the revenue which sustains the business throughout the rest of the year.
The July – September period accounted for almost 38 per cent of domestic and international overnight spend in Scotland in 2019, while April - June represented a further 28 per cent. Our businesses stand to lose a substantial part of their trade for this year on top of the income lost through the lockdown period and may not see a return to demand until 2021. Under such circumstances, businesses simply cannot afford to pay NI and salary contributions to keep employees on furlough when there is no prospect of income. Already we are seeing mass redundancies as a result: Crieff Hydro Group, InterContinental Group and Moorfield in Shetland are the latest to start redundancy consultations with hundreds of jobs under threat. Without further support, tens of thousands of jobs are at risk and a huge reservoir of skills, which the industry has built up over decades, could be lost in a matter of a few weeks.

The potential economic, social and personal impacts of such an eventuality would be deeply damaging. There are over 15,000 tourism businesses in Scotland registered for PAYE or VAT, accounting for 8.6 per cent of Scotland’s total enterprises. The sector employs 218,000 people, representing 8.3 per cent of the Scottish workforce across a range of occupations and skills, with larger employment shares in Edinburgh and the Highlands. To put this in context, tourism businesses represent 6.3 per cent of registered enterprises in the UK overall, while tourism accounts for 7.8 per cent of the GB workforce. Prior to the pandemic, day and overnight visitor spending supported £7 billion of Scotland’s GDP, making tourism a key growth sector for the Scottish economy, contributing to sustaining employment and economic activity in Scotland’s major cities and rural communities, as well as supporting some of Scotland’s most fragile areas.

CJRS and SEISS are providing welcome assurance and interim support, however further specific bridging support is needed for the tourism and hospitality sector taking into account the unique circumstances and pressures it is facing: legally enforced closure, the collapse of international tourism (re-enforced by the quarantine), as yet unknown issues regarding confidence of the customer base, and the challenges of social distancing and hard surface hygiene. Continued support will be needed for tourism, culture, events, hospitality and their wider supply chain in the longer term, either through extension of CJRS and SEISS or through specific arrangements for these sectors. Support will also be needed for the aviation industry which is so vital for our tourism sector. These are points echoed in English regions as well as by colleagues in Wales and in Northern Ireland. They have been raised regularly in the four nation Economy discussions with Minister Zahawi.

We firmly believe that all measures must be taken to protect jobs and that all areas should be revisited to see how they can support that ambition. The Scottish Government has long taken the view that VAT is an unnecessary barrier to growth and competitiveness for the sector, with some of the highest rates in Europe already making Scotland and indeed the UK less competitive. We have already deferred our plans to introduce a tourist tax and we would welcome discussion on VAT to help alleviate some of the pressures on business hindered by this measure.

We also note the actions taken by the French Government, which has unveiled a package of support for its tourism and hospitality businesses worth €18 Billion. We urge your Government to show a similar level of support for the sector across the UK as has been seen in France. Doing this would provide vital further support for this sector and ensure that it is in a strong position to recover.

The Scottish Parliament will be discussing these matters tomorrow. We want to work with the UK Government to consider continued support for sectors that remain adversely affected.
beyond October, recognising that any such support should be responsive to the different public health guidance in each of the four nations and that employers will need to know about any continued support arrangements well in advance. We will keep you updated on the situation and ask that you convene talks with Scottish Government and relevant industry representatives as a matter of urgency to discuss a flexible furlough approach which can tide the industry through to March next year, taking account of seasonality of the sector.

Kate Forbes & Fergus Ewing