Dear Cabinet Secretary

On behalf of the Culture, Tourism, Europe and External Affairs Committee, I would like to thank you for providing oral evidence on 14 May 2020. As with so many sectors, the Scottish tourism industry faces an unprecedented challenge in dealing with the Covid-19 pandemic. Businesses that would normally rely on the peak summer season are facing the prospect of little or no income in the short term, and a long and slow recovery. Without the right package of sustained support, many businesses will struggle to survive, causing lasting damage to the sector.

The Committee is however encouraged by the measures taken by the UK and Scottish Government to mitigate the short-term impact of the pandemic on the tourism industry. However, drawing on our recent call for views, there are a number of issues we believe require further attention, which I outline below.

**Business Support Grants**

**Self-Catering**

The Committee understands that self-catering accommodation and caravans are eligible for a grant if they are a primary source of income (one third or more) for the ratepayer and where the property is let out for 140 days or more in the last financial year. Written evidence provided by the Association of Scottish Self Caterers (ASSC) highlights a degree of confusion regarding this 140-day period with some businesses in the margins not meeting the eligibility criteria.
The Committee agrees with the Cabinet Secretary that the 140-day period is necessary to avoid overcompensating those who are claiming business support for vacant properties. However, we would ask that where claims are genuine, the Scottish Government, in consultation with Local Authorities, consider how greater discretion can be given to businesses, particularly in more rural areas where operators may struggle to meet the 140-day criteria.

**Businesses with a rateable value of more than £51K**

On the issue of the rateable value threshold for grant support, the Committee welcomes the ongoing discussions between yourself, the STA and the UK Government. In evidence, we discussed the use of the coronavirus business interruption loan scheme (CBILS) for businesses with a rateable value exceeding the £51,000 threshold. As you stated in evidence, the scheme isn’t an attractive proposition for some businesses who would need to repay a loan of £0.5 million to the Government for another 10 years. Many of these businesses continue to have significant fixed costs during this hibernation period and will require significant support until the sector begins to recover. The Committee would therefore appreciate an update (in line with the request for regular updates made below) regarding proposals to support these types business in the longer term.

**Transportation**

At the meeting on 14 May 2020, we discussed the important role coach operators play within the tourism sector. As you pointed out in your evidence to the Committee, operating coaches is a low margin business with significant overheads, and the Committee appreciates the steps you have already taken to engage with coach operators and the Confederation of Passenger Transport Scotland. The Committee understands you will be meeting with counterparts in the UK Government to discuss a bespoke package of support for coach operators. We would appreciate an update on the outcome of these discussions and any other measures the Scottish Government is considering to better support transportation companies, such as coach operators, and wider tourism supply chains, which fulfil an integral role within the tourism industry.

**Recovery**

While the Committee agrees that the Scottish Government’s immediate efforts should focus on ensuring the sector can absorb the loses resulting from the lockdown restriction, serious consideration needs to be given to the sectors longer term sustainability. As the STA note in their written submission to the Committee, social distancing and other such measures are likely to be in place for some time, not to mention the loss of income owing to restrictions on foreign travel.

To help the Committee monitor both the support available to the sector and potential plans for recovery, we would appreciate regular updates on a monthly basis covering the following areas—
1. Information regarding the support offered to the sector, including the number of successful claimants and the sums involved.
2. Details of any engagement between the Scottish Government and the tourism sector
3. Details of any engagement between the Scottish and UK Government relevant to tourism
4. Information about the Scottish Government’s reopening and recovery plans for the sector

I look forward to hearing from you.

Yours Sincerely,

Joan McAlpine MSP, Convener,
**Culture, Tourism, Europe and External Affairs Committee**