15 September 2020

Dear Joan

Thank you for your letter of 2 September 2020 following the Committee’s evidence session of 20 August. I am writing to provide an update on the Scottish Government activity in managing the impact of Covid-19 on the tourism sector.

I last wrote to you on 19 June and at that time I think it would be fair to say that we all hoped that by mid-September we might be in a more positive position regarding the suppression of the virus, internationally as well as in Scotland, than is currently the case. Despite the reopening of most of the tourism and hospitality sector, many businesses still find themselves in a difficult position and I remain very concerned about what the next six months hold for the sector.

We continue to work hard to provide the support and guidance which the sector requires to survive and to operate, and I will set out some of our recent and current activity in this regard below. As I indicated in my June letter to you, there is a real need to avert, if at all possible, business failures and job losses, but this is within the context of the scientific and public health evidence and the continued progress through Scotland’s route-map, which are key factors in all decision-making.

Scottish Tourism Recovery Taskforce

The Taskforce has now met in full 3 times over the summer and, in addition to this, there have been 3 workstreams led by Malcolm Roughead (Stimulating Demand workstream), Marc Crothall (Business Recovery and Protecting the Workforce) and Malcolm Buchanan (Investment) which have all had a number of meetings.

These workstreams have drawn out a large number of recommendations of support for the sector and these are currently being prioritised and drawn into a final report which, it is intended, the Taskforce will ratify at a final meeting later this month, on 23 September, Parliamentary business permitting.
It is clear from the emerging outcomes that the Taskforce will recommend interventions by both the UK Government and the Scottish Government. As your letter of 2\textsuperscript{nd} September so rightly identifies, the extension of the furlough scheme, or an appropriate successor, is something the sector desperately needs to ensure the survival of business and the avoidance of large scale job losses. I have written to the UK Government on this already but will do so again to press the case for this and other critical measures following the publication of the Taskforce report later this month.

As your letter notes, longer term sustainability of the sector is a key issue and I can reassure you that the Taskforce has been looking at both measures to ensure survival of businesses over the next six months and longer term measures which will see the sustainable recovery and growth of the sector.

I will ensure a copy of the Taskforce report is sent to the CTEEA Committee as soon as possible.

**Marketing**

Given the restrictions on international travel, the focus over the past few months has been on encouraging domestic tourism, trying to make the most of Scots not travelling abroad for their summer holidays. In July, coinciding with the reopening of the sector, VisitScotland launched a £3 million marketing campaign encouraging Scots to travel within Scotland in a responsible way and appreciate what is on offer in their own country.

VisitScotland also worked with its counterparts across the UK on the ‘We’re Good To Go’ industry standard, which allowed businesses across all sectors of the tourism industry to demonstrate that they are adhering to the government and public health guidance and are safe to visit, the intention being to boost consumer confidence.

The UK Government’s Eat Out to Help Out scheme also appears to have been very successful. It was run by HMRC so we do not have data to confirm how often it was used in Scotland, nor the value of business generated, but anecdotally, and extrapolating from UK-wide figures, it has been very popular. I wrote to the Chancellor on 14th August requesting an extension of EOHO in Aberdeen to allow businesses there to benefit from it to the same extent as the rest of the country following the local lockdown restrictions. At the time of writing I still await a reply to that letter. My office was advised by HM Treasury on 3rd September that they would respond as soon as they are able but I will continue to pursue the request and will provide an update once I have received a response.

**Hotel Support Fund**

As your letter of 2\textsuperscript{nd} September notes, our £14m Hotel Support Fund (HSP) was launched in August. The core purpose of HSP, which will be delivered by Scottish Enterprise, Highlands and Islands Enterprise and South of Scotland Enterprise in partnership with VisitScotland, is to protect sustainable employment in the medium-term and is aimed at helping to secure up to 3,000 jobs at Scotland’s larger hotels until the start of the summer 2021 tourism season. This programme is highly targeted and can be used alongside other COVID-19 support schemes.
HSP was established as part of a broader Scottish Government response package for the tourism sector. Based on collaborative discussions between all HSP partners, the Scottish Government, wider industry engagement and feedback from representatives of the hotel sector, the greatest area of need identified was the ‘larger hotels’ grouping. Many of these hotels have not been able to access assistance through other support mechanisms and had been particularly hard-hit by the effects of COVID-19.

Eligibility criteria for HSP was based upon VisitScotland feedback, consultation with industry bodies, including the Scottish Tourism Alliance and UKHospitality, and detailed research into Scotland’s hotel sector.

Our early proposals to provide targeted funding support for larger hotels were welcomed by industry representatives. However, further feedback we received was that whilst HSP funding of £14m was a substantial sum, it would not meet the needs of all larger hotels. Therefore, further prioritisation was required.

We also recognised that, by attempting to support job retention within larger hotels, levels of funding support must be significant in order to make a meaningful difference. An upper limit of £250,000 funding support was therefore set by the partners, available per hotel unit. Reflecting levels of available funding and the fact that up to £250,000 per application could be secured, partners estimated that 60-70 hotels could benefit meaningfully from HSP.

The scheme only closed for expressions of interest on 9th September, so I am unable to advise at this stage on the assessment of the applications, but I can provide a further update in due course.

Visitor Management

One of the impacts of the Covid-19 restrictions both here and abroad is that many people have opted to take their breaks in Scotland. While this is of course warmly welcomed and has resulted in rural accommodation providers in particular seeing a significant uplift in business, there has been a recent and unfortunate increase in incidents of so-called dirty camping across the country, which has seen visitors set up camp near lochs, beaches and forests and carry out irresponsible actions such as cutting down trees, lighting fires and leaving abandoned tents, litter and waste. This has a very negative impact on the environment and the local communities and leads to substantial expense for local authorities and landowners who are left to clean up the mess.

Scottish Ministers are concerned about this issue and intend to address it. The Minister for Rural Affairs and the Environment spoke on this topic in Murdo Fraser’s Member’s debate on 9th September, and I convened a multi-agency meeting on Monday 14th September to examine a coordinated approach to visitor management across our public bodies all of whom can play a part in tackling this issue. The agencies committed to looking further into these issues along workstreams – 1) addressing education, engagement and enforcement, and 2) looking at a national visitor management plan and an overview of collective visitor facilities provision. I expect these two workstreams to be short lived and to generate recommendations by November at the latest.
Sector guidance for Tourism & Hospitality was published on 18 June. It was updated on 3 July with additional guidance on the collection of customer contact details to support Test and Protect, and it was updated again on 10 July with additional guidance on the 1m exemption for the hospitality sector.

Further statutory guidance for the hospitality sector, along with guidance on mandatory collection of customer contact details, was published on 14 August. Main sector guidance was also updated on 14 August to reflect related sectors coming online from 24 August (funfairs, bingo halls and casinos), and we continue to make adjustments to the guidance to reflect current circumstances, as the First Minister did in her most recent announcement of 10th September.

It has on each occasion been developed in partnership with industry, unions and regulatory bodies. It provides a high level strategic framework for businesses to follow, underpinned by industry-led operational tools to aide application within the various business settings.

As indicated above, it is a live document and will be updated further in line with developments. We will continue to work with employers, trades unions, regulators and others to take a more collective approach to safely restarting the visitor economy.

I trust this will provide a sufficient update on the Scottish Government’s activity to support the tourism sector.

FERGUS EWING