

# **ECONOMY, ENERGY AND TOURISM COMMITTEE**

Wednesday 20 February 2008

Session 3

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## **ECONOMY, ENERGY AND TOURISM COMMITTEE**

### **3<sup>rd</sup> Meeting 2008, Session 3**

#### **CONVENER**

\*Tavish Scott (Shetland) (LD)

#### **DEPUTY CONVENER**

\*Brian Adam (Aberdeen North) (SNP)

#### **COMMITTEE MEMBERS**

\*Gavin Brown (Lothians) (Con)  
\*Christopher Harvie (Mid Scotland and Fife) (SNP)  
Marilyn Livingstone (Kirkcaldy) (Lab)  
\*Lewis Macdonald (Aberdeen Central) (Lab)  
\*Dave Thompson (Highlands and Islands) (SNP)  
\*David Whitton (Strathkelvin and Bearsden) (Lab)

#### **COMMITTEE SUBSTITUTES**

Nigel Don (North East Scotland) (SNP)  
George Foulkes (Lothians) (Lab)  
Alex Johnstone (North East Scotland) (Con)  
Liam McArthur (Orkney) (LD)

\*attended

#### **THE FOLLOWING GAVE EVIDENCE:**

David Allen (People 1<sup>st</sup>)  
Ross Anderson (East Lochhead Country House and Cottages)  
Joan Campbell  
Jim Cowie (Captain's Galley, Scrabster)  
Rowena Ferguson (Loch Lomond Trading Company Ltd)  
Professor Andrew Martin (Robert Gordon University)  
Linda McKnight (Adam Smith College)  
Tony Mercer (VisitScotland)  
Dave Moxham (Scottish Trades Union Congress)  
David Smythe (Association of Scotland's Self-Caterers)  
Shirley Spear (Three Chimneys (Scotland) Ltd)  
James Thomson (Prestonfield and the Witchery)

#### **CLERK TO THE COMMITTEE**

Stephen Imrie

#### **SENIOR ASSISTANT CLERK**

Katy Orr

#### **ASSISTANT CLERK**

Gail Grant

#### **LOCATION**

Committee Room 6



## Scottish Parliament

### Economy, Energy and Tourism Committee

*Wednesday 20 February 2008*

[THE CONVENER *opened the meeting at 09:33*]

### Decision on Taking Business in Private

**The Convener (Tavish Scott):** Good morning, ladies and gentlemen. Do members agree to take item 3 in private?

**Members** *indicated agreement.*

## Tourism Inquiry

09:33

**The Convener:** I welcome our first panel of witnesses, who are here to discuss skills, training, education and wider issues to do with tourism, as part of the committee's inquiry, which we have entitled, "Growing Pains—can we achieve a 50% growth in tourist revenue by 2015?" Marilyn Livingstone sends her apologies—I think that she is not well. Bob Downie, the chief executive of the Royal Yacht Britannia Trust, was going to attend, but unfortunately he cannot do so, because of a family bereavement. I invite the witnesses to introduce themselves. It would be helpful if you could say a little about your specialist fields.

**David Allen (People 1<sup>st</sup>):** I am head of Scotland for the United Kingdom skills team at People 1<sup>st</sup>, which is the sector skills council for hospitality and tourism in the UK. I worked in the industry for 16 or 17 years and during the past few years I moved into the field of skills and qualifications for the industry. The role of People 1<sup>st</sup> is to try to match skills and qualifications to the needs of the industry, to ensure that we have a plethora of fit-for-purpose qualifications for the sector. We also consider communication mechanisms that might help the industry to improve its professionalism and the overall perception of quality that can be achieved in the sector.

**Linda McKnight (Adam Smith College):** I am executive director for tourism, sport, community learning, languages and English for speakers of other languages at the Adam Smith College in Fife, which is one of Scotland's largest colleges. Tourism, which is the key industry in Fife, is the focus of my area of responsibility. My background is in education and training provision in that area.

**Dave Moxham (Scottish Trades Union Congress):** I am deputy general secretary of the Scottish Trades Union Congress, which brings a little less specific expertise to the table but takes a broad interest in the economy and training. In particular, we have an on-going engagement with students and migrant workers outwith the workforce, who make up a significant part of the tourism employee base.

**Shirley Spear (Three Chimneys (Scotland) Ltd):** I am from the Three Chimneys, which is a five-star restaurant with rooms in a remote corner of the Isle of Skye. My husband Eddie and I have owned the restaurant for 23 years—I was always the cook and he was the waiter, but we have moved on a wee bit and we employ workers in key roles in the operation.

Tourism is my passion. I live and work in a remote rural area and I have believed for 20 years

that tourism is the most important industry in this country but it has never been given the status that it deserves. Being invited to give evidence to the committee is a great step forward, as far as I am concerned. I would love all sorts of things to be done to improve training and employment across the board in the industry. We should have been having this discussion 20 years ago. Many inquiries have been undertaken and much research has been done, but I am frustrated that we are not moving forward.

**Professor Andrew Martin (Robert Gordon University):** I came down from Aberdeen on a very cold train and just made it here. I am a hotelier by trade. That is where I learned my skills—after going to Napier, if the convener will let me away with saying so. I work in the Aberdeen business school in the Robert Gordon University, which has undergraduate and postgraduate provision. A couple of European social fund projects looked at innovative e-learning and how we can deliver training and development directly to people in the industry. I am also vice-chair of the Aberdeen Hotels Association and an impartial media commentator—that is just as well, because I have the perfect face for radio.

**Rowena Ferguson (Loch Lomond Trading Company Ltd):** I am described on the committee's agenda as managing director of Loch Lomond Trading Company. In effect, that is the Coach House coffee shop at Luss, which is an upmarket, quality catering and retail outlet. We are certainly not fine dining. Fine dining is wonderful—I have been to Shirley Spear's restaurant and it is fabulous—but our operation is fast and furious. Our customers might stay for only 20 minutes, although if they are having lunch with cold drinks and coffees they might stay for 30 or even 40 minutes. We can put through more than 100,000 visitors annually. People get nothing fancy; they get good, home-cooked food, cappuccinos, scones, home-made soup and large filled bread rolls and so on. My staff numbers vary and can be up to more than 20, depending on the time of year.

I am also involved—at least, I was until recently—with Scottish Enterprise Dunbartonshire, and I sit on the local area tourism partnership for VisitScotland.

**The Convener:** Thank you all for those helpful remarks. I will not hear a word said against Napier University, which is a fine institution, and I will not be the only one who has eaten at the Three Chimneys and greatly enjoyed it, although, as we say in Shetland, it should be called the "Three Lums", because in Shetland we call a chimney a lum. However, that is a colloquial point and I will not bore you with it.

**Shirley Spear:** It is not a Gaelic word.

**The Convener:** Indeed.

In our first session this morning, we have a strong focus on training and education, which you all mentioned to some extent. I will start with an open question and we will move on from there. Is our education and training system—leaving aside for the moment the question of what that might be—providing your businesses with the right people with the right skills? That is what we need if Scotland is to be an attractive destination for tourists and if the industry is to grow as we all agree it must.

Shirley, I will come to you first as you were quite outspoken on that.

**Shirley Spear:** How long have I got?

**The Convener:** As long as you like.

**Shirley Spear:** In my humble opinion—I say that because I am not directly involved in education circles—we have some fantastic colleges and some fantastic university degree courses. Over the past 20 years, the emphasis has been on encouraging 18-year-olds with highers to go to the likes of Napier and do hotel management degrees. We do not have a proper hotel school of the type that we had when I was growing up. We no longer operate in that way. That is fine, but I would like to know how many people who have a degree of that nature still work in the hotel industry—not in the education system that surrounds it but directly in the hotel industry. There was a report on the news this morning about the number of people who drop out of university, but I would like to know how many people stay in the industry when they have their degree.

There is another question, which is even more important. What are we doing to encourage 16-year-old school leavers to become involved in the hospitality and tourism industry? We have done a lot to encourage young chefs. Chefdom, as I call it, has been encouraged because of the media coverage that chefs have received in the past 10 years. Hand in hand with that, the restaurant industry in Scotland has driven forward in leaps and bounds. That is not to say that we have enough people coming into the industry, but a lot of good training is certainly going on and things have moved forward a great deal.

However, we have to encourage the front-of-house side of the industry, which has been sadly neglected in the same period—the *maître d'* of old. When people of my generation went to a hotel or restaurant for a family meal on a special occasion, perhaps once or twice a year, they were greeted by the *maître d'*, who kissed the mother and thought she was wonderful and took everyone to the table and made a great fuss of them. We need that sort of person in the industry. Encouraging such people is hard, but it has to start at the root-

and-branch level. We can bring young school leavers into the industry, train them as waiters, waitresses, bar people and so on, and promote them rapidly to positions of great responsibility and achievement.

I have one member of staff at the moment who is a good example of that. I will not go into detail at the moment, but if you want me to do so, I will. I also have some excellent examples of great graduates who worked for us but dropped out. One of them is running Springboard Scotland in Skye and Wester Ross, and another I allowed to go back to university after a six-week, front-of-house work placement because she was offered a degree place for her third year. She took it up and is now working in an insurance office because she cannot get a job in the industry. I have offered her one, but she does not want to come back to Skye.

09:45

There are all sorts of issues at stake. For years, the wages and the working hours—unsociable hours and so on—were a concern, but we should not play on that any longer. Those issues were always a concern to parents and teachers in particular, because they are not well versed or experienced in the industry. Schools have a part to play because of their fear that pupils will be drafted into some sort of slavery—if only. We now have the minimum wage, and we pay better wages than those that my son and daughter used to receive in Edinburgh. We supply fabulous uniforms and we train and care for our staff. That is because of all the responsibility that is placed on us through legislation, as well as what we would do on a personal level.

The unsociable hours are no longer the issue that they were. We are all living 24/7 these days. Our social life no longer happens on a Friday and a Saturday night—it can happen on any day of the week. People can be asked to work late shifts if they are packing shelves in Tesco, let alone any of the other industries in which we are all involved. We should no longer indulge concerns on those issues—we should move on from that and consider the positive aspects of having a fun position in a fun industry, in which employees meet all sorts of people. Someone can be a personality in their own right at a very young age. They can be encouraged to have responsibility and to do very well at a young age. I forgot to mention statutory paid holidays, which from April will be 24 days. There are all sorts of considerations that we should discount now so that we can move ahead on a more positive view.

On the issue of training 16-year-olds to go into the tourism industry, from my point of view it is important that we have them in the hotel and restaurant industry as receptionists and

housekeepers and so on. We are trying to promote Scotland as being at the high-quality end of the market, and we need five-star housekeepers as well as five-star receptionists, waiters, waitresses and bar people. We need young managers at every level, in every department. As well as that, we need ambassadors for our country, and those jobs fulfil that role. Young people are at their most nationalistic when they are young—you should all know that. We should be encouraging them to work for Scotland, be proud of Scotland and be ambassadors for their country. Young people think that tourism is all tartan and shortbread, but that does not necessarily have to be the case—it is one tiny aspect of it. The industry is real life, and it is happening every day. The crux of the matter is that tourism is the most important industry in this country. It affects everything and everybody every day.

**The Convener:** Before I ask the rest of our guests to chip in, in your experience of running a business, do the right kind of people come to you? I am being pejorative in using the word “right”. Are you concerned about that?

**Shirley Spear:** Most people imagine that I have a million curricula vitae to look at in my folder. I have one or two that I would consider worth while. I am not continually being sent CVs, except by people from eastern European countries. If I advertise on a site such as caterer.com, most of the applications that I receive will be from people from Asia and the far east. They will not have a clue where the Isle of Skye is—let alone where the restaurant is—or what it would be like to live there.

I have not been able to make any connection with the colleges in Scotland. On several occasions, I have tried to unravel the mysteries of how to get involved with those who teach in colleges and how I might get their best pupils to want to come and work for me, but that has proved difficult. Inverness College was hopeless on that. On and off over the years, I have had minor success with the college in Thurso, but there has been nothing major. There has been no continuity and nothing has happened unless it has come from me. I have been approached by the odd college student, but I have never been directly approached by a college suggesting that a star pupil might want to come and work for me. If I have managed to get hold of a star pupil, it has been because the student has come to me directly.

I have managed to get the odd person who has come through the typical training course at the likes of Robert Gordon University or Napier University, but they have stayed with me only for perhaps two or three years before moving on to something else. That happens a lot in this

industry, because people move around to build up their experience. In this industry, experience—where people have worked and who they have worked with—is far more a passport to another job than what college people attended or what qualifications they gained. The qualifications mean nothing until they have been put into practice. People move on to build up their experience and their CV. The CV is an important passport in this industry.

There is little connection between the best restaurants in Scotland and the best restaurants in London. We look to London all the time, but London never looks to take a lead from Scotland. There is very little connection there.

Restaurant Martin Wishart in Edinburgh, where my son Steven is restaurant manager—I would have him back tomorrow if I could, but his Spanish girlfriend does not want to live in Skye—has always had a direct connection with a French hotel school. Perhaps because Martin's wife, Cécile, is French, the restaurant employs lots of people from that school. Steven was the first ever Scottish person to work there and he has encouraged Martin and Cécile to employ more Scots in their restaurant in Leith, which I feel is at the forefront of the industry in Scotland. The place should be full of Scottish rather than French people, but we all assume that the French need to show us how things are done.

The situation is frustrating. For example, a girl who grew up in a family that ran a hotel in Skye then went away to do her hospitality management degree and to work in the States in various fantastic jobs and is now our Scottish vocational qualification trainer in Skye. She recently got married to a local lad and has settled down and got a house. She is not involved in any of the hotels in Skye, but she is supposedly running our SVQ training. That is great—she is fantastic at the job—but what a waste to the industry.

We also had a young graduate of the Robert Gordon University who worked with us as restaurant manager for three years before giving up so that he could go away and do different things and gain more experience. He ran a youth hostel and thought about becoming a driver for Rabbie's Trail Burners. Despite all our "You're like one of the family" attempts at persuasion, he left us and now runs Springboard Scotland for Skye and Wester Ross. Again, that is a complete waste to the industry.

The same happened with the girl who ran Springboard before him and who now works for Skye and Lochalsh Enterprise. She came from the same background.

Similarly, I had a student from Glasgow Caledonian University whom I encouraged to

come up to work for us from June until October. She stayed until the end of August and then returned to complete the third year of her college degree. Ever since, I have tried to encourage her to return to us in a junior management position. She has applied for jobs in conferences and events. She cannot get a job there because she does not have any experience yet and has therefore taken a job with an insurance company. That is typical of what happens in the industry.

We also had the son of a family that I know well in Skye. He wanted to go into the hospitality industry having worked for the summer in the south end of the island in a cafe or bar that is similar to the one at Luss. I encouraged him to do the two-year course at Napier University, which he did. He then stayed on to do a third year. He did a year at Martin Wishart and is now working at Blue Bar for the Radfords. I would love to have him back to Skye any time and I hope that I might get him back. He did his official work placement with us two years ago in the summer, but I have not been able to encourage him back yet.

Another lad was working for a restaurant in Skye that did not want to do an SVQ for him, so the person who was in charge at the time encouraged him to go to Glasgow Caledonian University. He came back to me last summer to do his work placement and wants to come back to Skye to work. His family is from Skye and has a thing about there being no reason why they should have to leave the island because they should be able to get good employment there, which I thoroughly agree with. In the meantime, he has gone back to do his second year. I was expecting him to come back to me in May, but he will not because he has been put in for 101 competitions, which is great for him. It will be great experience. He will go to all sorts of countries all over the world, representing the country and university, and he will benefit from that. However, I do not have a chance of getting him back to Skye until July and Glasgow Caledonian is encouraging him to work in Glasgow at the moment.

We face such competition all the time. We are all desperate for people all the time, so it is not easy.

I have a restaurant manager who is good only to a certain level. I am desperate to keep her on because I would rather have her than not, but we really need a much stronger manager in that position and I know that—bless her heart—she has not got it in her to do any more although we have encouraged her every step of the way.

I have a young assistant restaurant manager—a fantastic Skye school leaver. I put her in for the Highland young ambassador of the year award in the Highland tourism awards last winter. Unfortunately, she did not win because the awards



panel decided to give that award to another chef when it should have gone to a front-of-house person to encourage young front-of-house people into the business. She is lovely and has a fabulous personality. She was wild when she was 16. The first year she came to work for me, she had never worn a tie except round her hair, she said—that was her Portree high school tie. Customers adore this wild, fun-loving girl with the great personality. She takes her work seriously and loves her status, the industry and working for us.

Other than that, I will have no full-time front-of-house staff in my restaurant this summer. I have two local girls who will do some part-time hours. To be a Michelin star-level restaurant operating seven days a week, as we are, makes it hard because we do not close for two days and therefore have to have teams of people who can cover all the work all the time. That is not like some high-class restaurants, which close two days a week so that everybody has the same two days a week off and close during the year so that everyone has the same holidays. I have to cover all my positions seven days a week, 52 weeks of the year.

We are now in mid-February and Easter is really early this year. We start serving lunch as well as dinner again seven days a week on 20 March.

10:00

Instead of having a team of five in my restaurant, I will have two full-timers and two trainees, but I have not got a clue about where I am going to find them. My two full-timers are desperate because they do not know how the restaurant is going to be run this year. My fantastic head chef is desperate because he cannot put on the menu the sort of things he wants to cook because we do not have a solid enough team to work with the chefs, unless Eddie and I go back out front of house, which we do not particularly want to do because we want the younger ones to take the responsibility. Eddie is over 60 and I am well into my 50s, and none of you would do the hours that we do. It is a nightmare.

I know that I have gone on and on and on for ages, but I believe that ours is typical of every single business in this country. I am not saying all this because I want to whinge about me and my business; the problems that I am talking about beset everyone.

**The Convener:** Thank you.

**Shirley Spear:** I will try not to speak any more.

**The Convener:** Not at all; that is what we want.

I will ask Linda McKnight to tackle Shirley Spear's points about the colleges in a minute, but

perhaps Rowena Ferguson would like to reflect on her experiences in the same context.

**Rowena Ferguson:** Yes, please. I just want to say that I am with Shirley Spear. I have a lot of very basic issues, and I had assumed that because Shirley Spear is much better known, even though there were issues with being on Skye, things would be a little easier for her. I put a lot of my problems down to the fact that my business is a coffee shop, but we have similar issues.

The first issue is that members of staff who are around 16 to 18 need to turn up before I can train them. People do not turn up to interview or for their day's trial or, if they successfully complete those and they are taken on, they simply fail to turn up for work, or they walk out. I can do very little about it because of employment legislation. At this stage of the year, it is like having a revolving door.

When I get good people in, I work hard to reward them. I do not just mean that I pay more than the minimum wage; it is wrong that the people who represent Scotland and face the customers are some of the most poorly paid individuals in the country. That is the reality. They have our reputation in their hands. I also work hard by giving gifts at various times, recognising birthdays, and doing all manner of things to try to build a team atmosphere.

Although I do not provide fine dining, I require many of the same skills and I have found very few junior chefs with even the basic skills that I require. Very few of them have qualifications. They think that they have found an easy route to a permanent job and if the job does not work out, what the heck—they just move somewhere else. That is a very poor attitude. My two current chefs were not trained as chefs. We have trained them in-house and they are completely trained.

I was nodding frantically when Shirley Spear talked about the *maître d'*. My *maître d'* is my manager cum supervisor. I need that individual: I always need someone on the floor—not shuffling papers—who can talk to the customers, encourage the staff and say things like, "Great. Those scones look good today", or reprimand someone when something is wrong. It is a practical man-management job, and the fact that I cannot find good man-managers has restricted the growth of my business more than anything else. An individual coming out of university does not have that experience and sees things in an academic way. I need a practical person who can build a team, gain respect, and run a team of people who, even if they turn up for work in a foul mood, are presentable in front of the public.

Fifteen members of my team could be on duty in one day. If one member has their head down or was out the night before, I have a problem. An inspector or a member of the public could visit on that day and my entire business would be judged on that basis. I would welcome anything that would give me people with good man-management experience.

**Professor Martin:** That was interesting; this is a different take, from the university sector. We did some research—too many years ago—and found that the industry split was such that 50 per cent of hotel general managers had formal qualifications and 50 per cent had worked their way up. I guess that that research is a bit outdated.

My story is that we are the only intergalactic business and profession putting people into space, but I have to fight alongside colleagues in law and medicine to try to attract the best people. Sure, we have arrived a bit late, but tourism and hospitality is a profession and it is important that it should be recognised as such.

For my money, we need the best professional people to come into the industry. If we get the best top-management people we get proper operations management, which teaches people about how to get quality, marketing and strategy right. It all starts at the top of the profession, which is why chief executives get paid so much and have value—that might not be a popular view, but if we start at the top the approach will filter down.

When I took up a summer job as a waiter at the Skean Dhu hotel near Aberdeen airport many years ago, we had nails and wood for the checks—

**Shirley Spear:** That is what we had at the Three Chimneys. I loved my nails.

**Professor Martin:** I remember thinking, “Crikey, this is a wee bit backward. Surely the profession can do a little better.”

It is frightening, but our masters programme is taken up almost exclusively by Chinese, Taiwanese and Indian postgraduate students, who come to Aberdeen to upskill before returning home to drive tourism in their countries. This year there has been a huge increase in applications from eastern Europe to the undergraduate programme. It worries me sometimes that the people whom we bring in from round the world, to whom we give—I think—a good education, simply return to their home countries, where they are appreciated for working in the profession.

In the past couple of years, we have had a big push. We engaged Careers Scotland and the local enterprise company to bring in young people who are in their fourth or fifth year at school. They spend a week in the business school and take part

in an industry competition. We have noticed a huge difference on the back of that. People are turned on by meeting people from the industry and by the competition, and they like being part of the university. The approach is changing mindsets, so people think, “Yes, this is a profession; it isn’t the last bastion.” They want to come into the industry. It is right that we should engage with the best students who are leaving school.

The Robert Gordon University is the only university that has the Walt Disney Company coming in—I know all the gags about it being a Mickey Mouse operation, but the company is highly professional and does not go anywhere else, apart from possibly one university in England. It comes to Aberdeen because it wants our students. I am delighted that we send students to Martha’s Vineyard and other places round the world. We are exporting expertise.

Quality depends on people. Some people here know that we have been considering a training for tourism programme, which will allow us to deliver material online, direct to personal computers, for businesses that want to learn. Shirley Spear talked about moving on. A challenge for the committee is to find a way of accrediting training to allow people to upskill and to participate in continuous professional development and lifelong learning. Can the man-management skills that Rowena Ferguson talked about be delivered one-to-one through a computer, at midnight? The biggest problem that we have when we try to engage small and medium-sized enterprises in the metropolitan area of Aberdeen is that people in SMEs cannot leave their businesses, because if they do no one will be left to take the money and put it in the till. We have to find ways to deliver online training and development to people when they need it, without necessarily taking them away from their workplaces.

Years ago, when I was a human resources person in the industry in Newcastle, we got out of paying the training board levy, but the committee might have to consider reinstating a carrot-and-stick incentive, to get the industry to buy into quality training and development. Bursaries could be offered, to try to attract the best people.

We have to be innovative. We have to engage people, motivate and develop them and get them to stay. As they move on, they collect more points—I have learned that, in the American system, people collect more points to enhance their CVs—but also more skills, be they hands-on skills or man-management skills. In that way, we will have a better-prepared tourism industry.

The two things—the quality and the people—are both important. It is like a Venn diagram.

**The Convener:** Does Linda McKnight want to give the colleges' perspective?

**Linda McKnight:** Absolutely. I welcome and recognise the comments from the industry, which reflect exactly the feedback that we are getting. Because of that feedback, instead of continuing to churn out the same old things, we have been working with People 1<sup>st</sup> and the industry in Fife to change the way in which we deliver things. We are also working with and through technology to deliver to our SMEs and outreach posts, and to make things interesting to the digital natives. We might be migrants to technology, but the workforce that we are talking about are natives. We have to embrace that.

I would welcome further involvement from the industry. Through our industry-led advisory boards, significant players in the field give us a strategic steer. Currently, they are involved in our curriculum review, which aims to change the curriculum and make it fit the sector's needs so that it is delivered in the way that the industry requires and is available 24/7, 365 days a year.

There are some new qualifications and some qualifications are changing. There is a deficit of patisserie chefs at present, so perhaps there is room to make a relevant qualification widely available. Like other colleges, Adam Smith College can credit-rate qualifications, so should Shirley Spear be able to describe the qualification that she actually requires, we can work with her, the industry, our colleagues and People 1<sup>st</sup> and credit-rate the qualification to give it value and a lifespan. We are keen to do further work to develop the skills passport to ensure that skills training travels with the individual.

We work well with schools. We are about to host the tourism challenge again this year to attract all the secondary schools in Fife to engage through technology in a project called provenance, which is about the use of local produce. We hope to be involved in further developing awareness of that, and its impact on the environment and the industry.

I would ask how industry can work further with the colleges and our colleagues in the university and higher education sector to develop a work placement model that is sustainable and lasts through a pilot phase—something that has an output at the end and has continuing value. The greatest learning takes place in the industry.

I back the comments and observations that were made about front of house. We are working together to make changes in that regard. We are confident that Scotland's chefs are brilliant. We have the accolades to prove that they are world class, and we have the facilities to be able to deliver that. However, if we fail to bring what they

produce to the table and to give the customer an experience to remember, it will not matter how good the food is. We are working together to develop front-of-house service.

My final comment is a selfish one. Shirley Spear and I think that we have solved one of her chef problems with one of my fantastic students, whom I know she has been poaching.

**Shirley Spear:** Well, he wrote to me.

**Linda McKnight:** We hope to be able to take that forward and ensure that he gets a fantastic opportunity. The individual that we are speaking about definitely wore his tie around his head.

**The Convener:** Thank you. Does David Allen or Dave Moxham have anything to add?

10:15

**David Allen:** People 1<sup>st</sup> takes a helicopter view across the full range of opinions on the matter. The original question was whether the education system provides what the industry requires.

We are undergoing what is called the sector qualifications strategy review and going through the plethora of qualifications that is available to our industry sector the length and breadth of the UK. Interestingly, there are in excess of 4,000 qualifications in the industry. For an employer, or even a student who is leaving school and wants to enter the industry and get a qualification, navigating 4,000 options can be an absolute minefield. As a sector skills council—my colleagues in the other SSCs are undergoing a similar process—we are trying to rationalise that number to a manageable level to take away some of the confusion. An awful lot of funding is available to individuals and businesses to support qualifications and training, but it is disappointing that very few businesses know where to access that funding and, more important, that they do not access it. We are trying to improve the situation and to provide greater signposting and support to businesses.

The employers with whom I engage often say that an awful lot of people leave college and university with a qualification, but without a skill; I acknowledge such comments because I was an employer for many years. When we drill down into that, as was said earlier, we find that people leave the education system with an academic approach, but that life skills, communication skills and personality—the basics of being able to maintain oneself in a job—are sometimes severely lacking.

Last year, for the first time, some leading hotels in Edinburgh did not take on university graduates for that very reason. The graduates turned up wearing jeans, they had a false expectation of what the industry would give back to them and

they had not researched the job or the employer. When I was an employer, I often asked interview candidates what they knew about my business. If they could not answer, that did not say a lot about their commitment to the industry or to me as an employer.

Shirley Spear asked how many people stay in the industry. I do not have all the specific figures to hand, but I can tell her that of all the travel and tourism graduates in the UK, only 33 per cent enter the industry when they graduate. That is a slamming indictment of what we are doing to attract students into the industry.

My overall feeling about colleges and universities, and individual training providers, is that their approaches are hit and miss. There are some excellent colleges—I am glad that the two leading colleges that are represented today demonstrate clearly what can be achieved with the right focus. Unfortunately, there are less effective colleges and universities out there that put less focus on the measurement of the quality of students who graduate from their establishments and that impinges on the quality of employee in the industry.

Management and leadership are another key element. Statistics that we found startling during our research for the sector skills agreements show that about 45 per cent of managers working in our sector have no formal qualification. The impact of the growth levels in our industry—we are probably the fastest growing sector globally—puts huge pressure on businesses in our sector to find the right levels of staff, because businesses grow and new businesses come along. Managers are being promoted into more senior positions far sooner than they should be and their skill sets are not developed enough to take on such responsibility; they then go on to shape and mould the next generation of people who are filtering into the industry. When you consider that school pupils and those who are applying for work placements are placed in front of managers who do not have the skill sets to manage and train them, we are in a perpetual downward spiral of image that has a huge impact.

Some good local initiatives are happening. We need to be seen to be taking the best of those practices and sharing them throughout Scotland. If a student goes to St Andrews, they might have a positive experience and route map to what the industry can offer, but if a student goes to another outlying area, they might not have those same opportunities and are prohibited. Ultimately, the industry suffers.

As well as our sector qualifications strategy, we are developing the national occupational standards, which is a bench-marking exercise for qualifications and training. One of our ultimate

aims is to develop in-house accreditation, which was touched on earlier. One limitation on us that needs to be mapped out is that, as an SSC in Scotland, we cannot go as far as our counterparts in England because we do not have the final say on which qualifications should be actively pushed and funded. That has a huge impact on our ability to promote in-house accreditation. Accreditation and levelling needs to be carried out in the context of the Scottish qualifications and credit framework, but industry input is key—obviously, we want to provide what employers want—so that poses a challenge for us. The more switched-on employers realise that we cannot develop accreditation and take it to the same conclusion as is available in other parts of the UK. I firmly believe that that needs to be addressed. The same point has been echoed by my counterparts in other SSCs.

Good examples of in-house accreditation include the McDonald's chain of takeaway restaurants—it was recently approved as an in-house provider—but there is some confusion about what in-house accreditation means. It does not mean that employers can instantly provide a course that sounds good and for which people can be awarded a piece of paper stating that it is worth something. In-house accreditation is very much about mapping provision against existing qualifications. I talk an awful lot about the currency of qualifications. As was said earlier, qualifications are good but they become important only when people can apply them in a practical way. That is what I mean by currency. Qualifications are good, but they do not become a currency that can be cashed in until people have gone out and got their feet a bit wet after starting work in the industry.

Napier University was mentioned earlier. As an ex-Napier boy, I know that I received some very good advice at university. As one of the few people on my degree course who had worked in the industry beforehand, I was expected by my fellow students to go on to greater things after graduation. However, I received a reality check from one of my tutors, who told me, "Look, don't go in with this weird expectation that you're suddenly going to walk into a food and beverage manager's job. It's not going to happen. You need to go in there and apply what you have learned academically and work your way through." That was great advice. I was one of the lucky ones; many people who are not given that guidance and support walk out of university with completely false expectations.

To wrap up this first bit on where we are, I should mention a couple of initiatives that are referred to in the tourism framework for change. One of those is the UK skills passport, which Linda McKnight touched on. At its simplest, the skills passport is an online CV, but it goes wider than that by providing individuals with a sort of career

map that enables them to see how they can progress and develop in the industry. It aims to provide people with the necessary support, advice and tools as well as the signposting to where they can get various pieces of information and training. For example, if a part-time waiter in a restaurant sets out an aspiration to be a general manager within five or 10 years, the system can map out the skill set and qualifications that will be needed and provide signposts to the educational establishments or individual training providers that can provide that training. The skills passport is proving to be very successful, although it is still in its infancy. After a couple of false starts, we are now moving forward.

We are tying that initiative into our good employer campaign, which gives recognition to those employers who are prepared to invest time, energy, training and commitment in the people who work for them. In addition, the campaign tries to match the next generation of aspiring entrants to the industry with those employers who will support their aspirations and drive them forward.

My final point is on the need to attract young people into the industry. I believe strongly that the migrant workforce in Scotland has been a positive thing for our industry, but I have a word of caution. To a certain extent, our industry has become lazy in attracting talent because there is a plethora of migrant workers who are ready to step into jobs and who might not have the stereotypical negativity towards jobs at the lower end of our sector.

There needs to be an emphasis on getting in our indigenous population and encouraging young people. I am aware of strategies such as determined to succeed, which make money available to support individuals, and that schools are expected to engage with businesses. I agree with Shirley Spear that sometimes it is hard to get employers and people in education to sit together round a table and deliver something purposeful. There are some good examples throughout Scotland in which that has been achieved and has proved to be exceptional. Peebles high school and the Macdonald Cardrona hotel did something like that recently, which was hugely positive. However, not enough is being done. We need to share best practice and drive it forward.

There is an awful lot of talk about potential students or school leavers doing work placements in the industry. We should do much more with the teachers and careers advisers in that regard. During my time with Springboard and People 1<sup>st</sup>, I came across many cases of careers advisers advising people not to come into the industry, for no other reason than they did not know enough about the industry and were working on Basil Fawlty stereotypes. Work placements are good,

but we need to go back to the roots and ask about the support and information that we give to teachers and careers advisers. We should get them out into the industry and, most important, that should be compulsory. I am aware that, in Edinburgh, there has been a change in school timetabling during the past couple of years to free up Friday afternoons; in part, that was meant to be for teacher development, but nothing is compulsory.

That does not apply to our sector alone; the case could be argued for several sectors. The people who have responsibility for guiding the next generation need to have the facts and the right information, and that is not happening as well as it should be. On that point, I will get off my soapbox.

**The Convener:** Thank you.

**Dave Moxham:** I will be very brief. We have had a world-record answer to one question.

When we talk about attracting 16 and 17-year-olds, we have to consider the esteem in which the profession is held. Under the determined to succeed strategy, we visit a large number of schools, not as purveyors of a particular profession but to give an ear to what young people are thinking about work and their future. We find that the profession is held in low esteem. Many young people have some experience of working in the hospitality sector, but it has not been positive. However, I understand the points that have been made, and I am sure that we have the best examples of employment practice round the table.

The truth remains that the median wage within the sector is lower than it is in any other. Many young people have that experience before they make their career choice. We surveyed 400 working students across three cities in Scotland, of whom the majority were employed in the retail sector or the hospitality sector. When we asked them why they made their choices, they talked about shifts and pay; they made transient choices, in that they changed their minds very quickly about where they wanted to work if they could get one bus to work rather than two. The reality of a low-paid sector is that people will make choices of that nature.

The retail sector, which has comparative wage rates, seems to do better at retaining the young people who work in it, albeit that they work part time while they are pursuing another qualification. It also seems to do a better job of encouraging people who did not initially choose retail as a profession to continue with it. We need to consider the reasons for that.

I welcome the comments about migrant workers. For several years, the STUC has been vocal about the importance of maintaining levels of immigration, and that continues to be the case. To

some extent, the sector has used in-migration as a crutch. It does not guarantee the same levels of retention that other areas do—that also applies to the student workforce, which accounts for a large percentage of the day-to-day working population. We need to look hard at other available labour. We urge the industry and the public sector to consider the link between Government employability strategies, such as the workforce plus framework, and the sector, to ensure that we do a better job of retaining and encouraging people.

10:30

**The Convener:** That was a thoughtful and detailed overview of the situation.

**David Whitton (Strathkelvin and Bearsden) (Lab):** I was struck by Professor Martin's comment that we are exporting expertise. We are giving the opposition quality managers whom we have trained—we are training people who go back to their home countries.

Mr Allen mentioned the skills passport. Surely the emphasis should be on the bottom up, not the top down. If Shirley Spear is right, we should be getting kids into the industry at the right age and enthusing them. We can map a way forward for them, so that they know that although they might start as a waiter they will be able to do courses and move up through the industry, building up skills while they work.

It has been put strongly to the committee—by Mr Taylor, I think—that we do not have a proper hotel school in Scotland any more and that we should have one or two such schools, where people can gather expertise while they work in the industry. I am interested in the witnesses' views on that.

**David Allen:** The vocational element that is a feature of hotel schools is key to underpinning a person's development. As I said, qualifications are good and I would never suggest that we undervalue their place in a person's development, but qualifications are limited by their nature and need to be supported by a practical element, which is key. It is about understanding how to apply theoretical knowledge to whatever situation a person is in. We are such a diverse industry that it can be challenging to teach to a qualification, because there are so many avenues that the qualified person could take.

I support the call for hotel schools. I am heavily involved with the Edinburgh tourism action group, which is considering the possible provision of a hotel school. Land that could be used for such a purpose has been earmarked at the new Queen Margaret University campus. The Macdonald Highland Aviemore resort has CATHM, which I think stands for the centre of applied tourism and

hospitality management. The resort is considering chefs programmes but predominantly uses CATHM for its own purposes. What we need is something for the whole industry, which would cover not just chefs training but the different opportunities in front of house and management, for example.

**David Whitton:** Excuse me for interrupting, but I got the impression from what you said earlier that there are one or two excellent colleges—I dare say that two fine examples are represented among the witnesses—but that several are not good. Should we tell the people who provide bad courses that they cannot continue, and concentrate instead on centres of excellence?

**David Allen:** There needs to be much more accountability and perhaps more measurement of the calibre that is produced at the end of a college or university course. I refer again to the work that my colleagues down south are doing. After the sector qualification strategy has been completed there will be a clear remit to direct funding to courses and influence colleges and universities to deliver the strategy.

**David Whitton:** Currently, two thirds of students drop out—if what has been said about that is right—which means that the courses are wrong, that the people who are on them should not be there in the first place, or that something has gone badly wrong with the teaching.

**David Allen:** Part of the problem is that a lot of the course provision is being driven by individuals who are coming into the education system. For example, events and festival management is rapidly becoming one of the most popular courses that can be studied at university. However, the reality is that it is incredibly hard to find a job opportunity in that field on graduation. It is a great testament to Scotland that we have such a successful events and festivals culture that is stimulating demand and interest and making people want to come into it. However, the industry should be driving the qualifications that are on offer. There has to be more of a balance but, at the moment, we are going the other way. The sector qualifications review that we are doing will help to redress the balance because it is about what the industry is looking for, and it should then map into the qualifications that are available.

**Professor Martin:** Perhaps I can help. I thank David Whitton for his point.

My concern about the number of overseas students that we have is that they value our industry more than we do, and they are going back and being tied into contracts to develop economic growth through tourism in their home countries.

The hotel school is an interesting idea. I was involved in delivering the vocational, hands-on

stuff some years ago. I do not want to argue against it, because it would be a nice showpiece. Someone spoke about Portugal, which has Government-owned pousadas, so the best of the best of the industry is state owned. However, I am not sure about that approach.

At a local level, we have tried to integrate experience of work in a kitchen or restaurant, or behind reception. We do not bring people into what can be an artificial situation in a hotel school that is overstaffed, where the situation is not as harsh as it would be in real life. We put our students out into the local industry and give them a day a week at work. The industry would do as good a job as the educators in buffing up people's skills, so I would not get too hung up on the idea of having a hotel school. The principle is right, but if we were to have a centre, where would we put it? Would we put it on Skye or in Dundee? That would be a very difficult decision. It would be good as a beacon to send out a message—

**David Whitton:** With all due respect, where it is situated is completely irrelevant. It could be anywhere in Scotland. I am just saying that Scotland should think about having one. The idea was not put to us by politicians but by people within the industry and a guy who has built up a very successful business. Mr Allen has mentioned ETAG, from where the idea came. In an earlier meeting, Mr Thompson spoke about two students in Inverness who could not get the course that they wanted, so they could not get training and were going to have to move somewhere else. If there was a hotel school in a central place, they would at least know that they could go there and get the training that they wanted.

**Shirley Spear:** This issue is huge. For a start, Scotland is so diverse in its geography: there are centres of excellence in Edinburgh, Glasgow and Aberdeen, all of which are five hours' drive from where I live—there is no airport or direct train route, and the bus takes seven hours to reach us. That is one thing to take into account.

Skye's local regional area takes in Wester Ross and Lochalsh, which is a vast region. Our college is in Inverness, which is three hours away from where I live. In 23 years, I have never been asked to have anything to do with Inverness College, nor have I had any communication with it. I have written to Robert Gordon University, Napier University and Glasgow Caledonian University and had neither a reply nor any acknowledgment that my letters were received. That has happened over several years, not just this year or last year. I have continuously tried to improve the situation. The fact that we are sitting here today is fantastic; I just wish that we could be here all week.

During the past two or three years, Portree high school's home economics department has

introduced to fifth and sixth-year pupils a hospitality course. Some cooking is involved, but it is mainly to do with hospitality. The view is that the children will be able to use the skills that they get at school because when they go away to university to do much better things, they are all likely to get part-time summer jobs in their local hotels.

The course started with a handful of children, but this year more than 30 children opted to do it. I do not know whether they think that the course is an easy way out—possibly they do. Last November, I had one of the children on work placement. He was great, although he did not know what he was going to do with his career. He lives locally with his parents, which is important because no local bus service passes my door and because it means that he does not have to find accommodation, which can be a nightmare. Even if he goes to the University of Strathclyde in September to do what he thinks he wants to do, I have been trying to encourage him to work with us through the summer after he has finished his highers. I am putting Katy MacLelland—I mentioned her earlier—through hospitality supervision level 3. I am going to appoint him as her specific trainee, and it should be a great partnership. However, that is just in my head; it is not working yet.

Springboard Scotland is largely responsible for the success of the course in Portree high school, with which it is hugely involved. I know what is going on there because I know the two young people who run Springboard in Skye and Wester Ross. However, it has never been suggested that members of the hospitality industry should go in and talk to the class on occasion. There could be all sorts of link-ups such as that.

I would love to see Skye and Lochalsh Enterprise run its own hotel school. Being in a remote area, we could run our courses to suit our season. We are open all year round, bar a couple of weeks in January. The industry throughout Scotland, but particularly in the Highlands, is being encouraged to be an all-year-round enterprise so that we can keep people on salaries and give them decent terms and conditions of work.

However, we cannot escape the fact that the hospitality industry is still seasonal; we need people from Easter to the end of October, so the college courses should happen over the winter. I cannot tell you how long I have been saying that, not just to myself but to Skye and Lochalsh Enterprise in particular. I have been trying to get that point across for years. I would like to be able to put my youngsters in to do all the basic, practical SVQ stuff during the winter months, covering areas such as first aid and health and safety.

I have even thought that if I had a hospitality and tourism diploma for the Isle of Skye, I could take over a hotel such as the Kyle of Lochalsh hotel, which has been running slightly under par for a number of years now. It could provide bedrooms for kids from Ullapool or Gairloch, for example, so that they could stay at the hotel and do a course in the winter. They could perhaps do day release while they work in the industry with us when we need them during the hectic summer months. We could look at all sorts of things such as that. It would be better: the kids could stay in their own bedrooms, do their own housekeeping and cooking and arrange their own classes.

We have people in the industry who could go in and do the odd lecture or take classes in how to run things. Skye and Lochalsh Enterprise runs courses in areas such as housekeeping, waiting skills and bar and wine-service skills as part of its local link courses, which are available perhaps on one day in one month of the year. If you do not happen to have the right staff already on board and in your employment on that day, you miss out on that course until the next year. Of course, the staff might have gone by the next year, so you still cannot use it.

10:45

There are lots of training courses and all sorts of stuff is available, but it is not always accessible to the industry. I hardly know about what is happening with People 1<sup>st</sup> in Scotland, although that is probably my fault, as I have not read enough of the stuff that I am constantly bombarded with. I have piles of e-mails that I have never read and a pile of magazines in my sitting-room. When my husband asks me whether I will throw them out, I tell him that I have not read them yet. Keeping up with the information is a huge task. Thousands of people seem to be employed to run all the courses and set up all the training, but hardly anybody in the industry accesses that training. We are not sending people with a direct link to our businesses to take part in it.

**The Convener:** That is helpful. I invite Rowena Ferguson to comment on the issue that David Whitton raised.

**Rowena Ferguson:** I will keep my comments brief.

**Shirley Spear:** I am sorry for not being brief.

**Rowena Ferguson:** I agree with much of what Shirley Spear said. The two key issues are access and flexibility. I would welcome anything that would develop the skills base, but the difficulty is that we are dealing with individuals from 16 to 60. Some of my better employees are in their 50s and 60s.

**Shirley Spear:** Cheers.

**Rowena Ferguson:** That is the beauty of an industry that is so deeply embedded in Scotland. I would welcome anything like a hotel school, but, as someone said earlier, the question is whether work there would be as harsh as it is in a real environment. There is no substitute for getting people out into a real business, where they will find that somebody phones in sick when the weather is good, the chef is off and something else happens. Let us get people into hotels, bistros, coffee shops and fine dining places—I am talking about merging the reality of what Shirley Spear and I experience every day. I want people to be trained, but I cannot let them away from the business because I need them to work in it. The two keys are access and flexibility, as I have said.

**Dave Thompson (Highlands and Islands) (SNP):** Good morning to you all. I want to raise a couple of issues. My first and main question is: how can we get to the heart of selling the tourism industry to young people? That issue has already been raised. Some folk say that careers in the tourism industry are great and that people in the industry can work anywhere in the world, but that is a problem in itself of course. If people are helped not by their qualifications but by where they have worked and who they have worked with, as Shirley Spear said, that encourages them to move around from establishment to establishment. Employers will therefore be unable to keep them for long.

There are still a lot of poor employers out there who do not treat their staff, or pay them, particularly well. You all probably know that staff in the industry can work long hours—they can work for 60, 70 or even 80 hours a week through the summer. Sometimes staff work for weeks on end without having a day off—that is not legal, but it happens. Many youngsters know that that is the sort of thing that they may get into, and they probably hear more about bad employers than they hear about good employers who have established good working conditions. There is a major job to be done to sell the industry to youngsters and to ensure that bad employers stop their bad practices, which is perhaps harder.

Secondly, there appears to be a plethora of training organisations and people involved in training in local authorities, enterprise companies, colleges and the public and private sectors. There are 4,000 different qualifications—my goodness, that is ridiculous. It strikes me that things need to be simplified and clarified so that young people in particular have a much clearer idea of what they are getting into. Will the witnesses say something about the plethora of organisations that exist, the complications that are involved in the system and what we should do about bad employers?



**Shirley Spear:** We must address those issues if we are to achieve the growth targets by 2015, but there is another issue that is dear to my heart and which I am passionate about. The tourism industry does not have enough status in this country, and it is not regarded as being professional. Indeed, the people who work in it do not regard themselves as professionals. Something like 88 per cent of the industry consists of tiny businesses that are run by couples such as my husband Eddie and me.

There is very little big money in Scottish tourism—other than in Macdonald Hotels and what have you. All the people working in the industry—even if they are running just a small bed and breakfast or a small tea room, perhaps employing just one person to help with the housekeeping or one person to help make the tea—have to be encouraged to feel that they are part of an amazingly brilliant tourism industry. They have to realise that, even when they are working on their own, they have to be professional when they go about their business. That is crucial.

In the past, many people might have put a B and B sign outside their door in the summer, to make a bit of pin money on the side. That still happens, and we have to ask whether everybody should be licensed—that is another tourism industry issue that has to be considered. If a small restaurant has to have a fire certificate, a licence and environmental health certificates, so should a small bed and breakfast. If that were to happen, it would instantly make people feel that they had to be more professional.

Locally, I am up against things that are illegal. For example, it is no longer possible for staff to take cash tips home without paying income tax on them. Our business has a proper system so that all of that is properly organised and monitored, but I am competing against a restaurant down the road where the kids are paid less per hour but can take home all their cash tips. They should not be doing that, but unless I clype on them to the authorities, nobody is going to find out.

Even a place as major as Dunvegan castle has not treated its staff well. It does not obey all the rules and regulations but it gets away with it. I hear from people locally that they would rather work at the castle and put up with bad working practices because the work is not as hard as the work at the Three Chimneys. If they work at the Three Chimneys, they have to do a really good job; they therefore think that it is easier to work in somewhere such as the castle where they can stand around and eat ice cream and scones all day. It is so frustrating. That is what I am up against. If the castle, as an employer, took the level of responsibility towards its employees that it should, and if the other restaurant adhered to this country's tax regulations as it should, I would be

on a level playing field when it came to employing people in my area. I am sorry to have used me as an example, but I believe that that is typical of what happens absolutely everywhere.

**David Allen:** I want to pick up on Shirley Spear's point about small to medium-sized businesses. They make up a huge percentage of our industry in Scotland. Unfortunately, that leads us to the question whether people should require a licence to trade. The media plays a huge part, because a plethora of programmes on the telly show people who have enjoyed staying one night in a hotel, or have had a really nice meal in a restaurant, and then suddenly think that they are qualified to go and run a hotel or restaurant, and make an absolute mess of it. Unfortunately, as has rightly been pointed out, those are the people who do not have the skills, understanding or know-how to operate in the industry. That is where the negativity comes from.

We should perhaps be sending out clearer messages through media channels to try to promote the industry. There is some good stuff. I am not a huge fan of the food that he cooks, but Jamie Oliver has been great for our industry. Working in the industry has been seen to be cool, young, sexy and fun. We need more people like him—more idols—because young people are influenced by idols. They want to be the next David Beckham or the next pop star or movie star. We need that to bring people into our industry.

The creation of the good employer charter and the UK skills passport will, through time, weed out the bad employers, although they will not attract good people. We are trying to set things up so that the good people go to the good employers, and so that the system becomes self-sufficient and the bad employers are alienated. There are bad people in our industry who should not be there. They are just involved in it because it is the easy thing to do. As Shirley Spear rightly says, the industry does not regard itself as professional enough.

**Shirley Spear:** Often, those people fill up from our overflow. We get full first and all the other places do well on the back of people who do much better than them. It is really difficult.

**David Allen:** There are a lot of employers who are so desperate for good people that they do not ask the applicants what they have done, where they have been and what qualifications they have but whether they have a pulse and when they can start. We need to try to move away from approach.

**Dave Moxham:** The good employer charter is a positive initiative. The STUC would like it to contain, as well as a commitment to training and progression, some commitment to adequate terms and conditions and decent pay. The charter has

the potential to allow the good employers to group together in such a way as to put pressure on the poorer employers. For instance, we will argue—and we expect to be successful in this—that, when the Commonwealth games come to Glasgow, the range of services that will be procured publicly should have a set of conditions and quality standards attached to them. We would like the whole tourism sector, which will also benefit from the games, to consider some of the quality standards and good employer standards.

**David Allen:** The work that People 1<sup>st</sup> is doing down south with the 2012 Olympics is on that theme. We are working with the organising committees to ensure that the subcontracted suppliers who will deliver the services for the athletes and the tourists who will come have some support through the good employer charter and the UK skills passport and, ultimately, an overriding commitment to skills training and people development. Work is already taking place and I am keen to move it to the Commonwealth games.

**Shirley Spear:** We need to connect. Please can we connect? Can I just—

**The Convener:** Can you let Linda McKnight in first? She has been trying to get in, so I will give her a crack first.

**Linda McKnight:** Adam Smith College is delivering that training in Aviemore. The 21<sup>st</sup> century learner does not look like the learner of yesterday. We must be cognisant of that, and it would be remiss of Andrew Martin and me not to make a plea for some changes in funding to enable us to deliver on the spot and be reactive to the industry's needs. With our advisory boards, we are examining when, where and how to deliver. Part-time training in particular is required. However, the funding prohibits us from addressing that need as fully as we could.

I will take 30 seconds—I am a fast talker—to return to the hotel school idea. The concept is fantastic. Centres of excellence are necessary. It is worth watching the world-class training academy in St Andrews that is being developed for Fife. That model may be of interest in relation to future developments. I am not convinced that a physical resource is necessary. Places such as the Fairmont St Andrews hotel and the Three Chimneys provide the live experiences that make the difference and back up the theory.

**The Convener:** Dave Thompson has opened up a rich seam. I will get him a supplementary before the witnesses shout him down again.

**Dave Thompson:** The bad employers are not only the people who come into the industry because they have been to a hotel and fancy running one. There is evidence that some pretty big employers are poor employers, although many

of the staff might not tell us that because they might be frightened for their jobs.

I am a Highlands and Islands MSP. A big problem in the Highlands and Islands is seasonality. It is all very well training the young folk in the winter but, once they are trained, what do they do? They work from March till October and then have no employment or pick up little bits and pieces.

The other huge problem for people who want to work in the north is housing. It is different if a student or someone from abroad comes into the area for a short time and can live on the premises. They might be prepared to put up with pretty poor accommodation because they are doing it for a wee while to earn a bit of money. However, if a young family—say, a husband and wife with a couple of kids—want to make a career and a life out of the industry, they need proper housing.

With seasonality, the housing situation and bad employers, there is a lot stacked against improving the industry.

**The Convener:** I do not want to constrain anyone, but we are getting a bit tight for time. I ask members and witnesses to keep their questions and answers as short as possible.

11:00

**Shirley Spear:** I agree with all the points that have been made. We bought a house for our staff and, when that was full, we rented another. All of it—the wages and so on—cost us an absolute arm and a leg, and it had to be passed on in the price of our accommodation and food. We are at the full-whack, top end of the market, for which we occasionally get criticised by people who are not in the know, but there is no other way for us to do it, and I have the figures to prove it.

There are people who, after selling their houses down south, have a lot of money to spend on properties in the Highlands and Islands. They seem to think that it would be great to be one of the Basil Fawltys of this world and run a nice hotel, and believe that they can simply employ others to do everything for them. They then realise that they have to clean the toilet and lock up at 1 o'clock in the morning. It is simply hopeless. There is no legal requirement on them to undertake training—or, indeed, to do anything.

I have to say, though, that my husband Eddie and I started the same way 23 years ago. We wanted to live and work in Scotland, but all we had to sell was our house in Croydon and the only place that we could afford was on Skye. We bought the property and have worked at the business ever since. As a result, I am probably the world's best example of someone who came into

the industry with no training whatever—but I suppose that I just like being a hostess.

On training and seasonality, I would like to sponsor staff training during the winter months or, if funding is available, use that support to send them to college and take the various courses that are available. I am quite happy to pay staff their full-whack wage and give them proper terms and conditions, but surely if they are attending college there must be some way of funding that jointly with education authorities.

**Rowena Ferguson:** As far as bringing people into the industry is concerned, I often take on 16 or 17-year-old students, who often stay with me through their time at university. I find that if you are open with people about how the business functions and if you train them in all aspects of it—after all, I need a huge amount of flexibility and need everyone to fill practically every role—they become very interested. Indeed, I get history students and students from all the other disciplines who are interested in the business at a point at which they might consider a career in catering. Of course, that all depends on having a good employer who is prepared to take them on and develop such an interest.

I understand the rationale behind VisitScotland's current structure, with individuals buying into commercial packages. However, I want the concept of membership to be re-established in the industry. People used to be members of the tourist board, but when that was done away with, they started to feel that they did not belong anywhere. Surely some form of membership can be worked in somewhere.

**The Convener:** That is very interesting.

**Lewis Macdonald (Aberdeen Central) (Lab):** I wonder whether David Allen will expand on his very important comment that sector skills councils do not have quite the same ability to direct the qualifications that are offered in practice. What would be needed to make the system work differently? Do training providers think that there is a need to change that relationship? Finally, the committee would be very interested to hear about initiatives that engage effectively with employers and deliver quality staff training.

**David Allen:** The remit of People 1<sup>st</sup>, as a sector skills council, is to work closely with industry and to represent its needs through the various channels of Government and to other key stakeholders. The sector qualifications strategy sets out clearly the need and expectation to rationalise the qualifications. By their nature and sheer volume, some of the qualifications are not fit for purpose. Our clear driver is to find the qualifications that are fit for purpose, because that

is what employers say that they want and can demonstrate a need for.

We do not make any representation, judgment or recommendations until we hear the voice of industry saying, "This is absolutely what we need." In order for us to fulfil our objective, it is our belief—that of People 1<sup>st</sup>, and it is shared by the other sector skills councils—that to take our work to its natural conclusion in Scotland, we should have the opportunity to do the research and, rather than its going nowhere, which is kind of where we are now, we should be able to influence completely and utterly the qualifications that are in place. Then we could go back to the colleges, universities and other training providers and work with them to ensure that what the industry wants is delivered and that the whole process is made complete.

The limitation on us now is that we are unable to take the research any further. That impinges on our relationships with employers—we are dangling a carrot, but then having to—

**Lewis Macdonald:** When you say "influence completely and utterly", do you mean that you want to direct the training providers?

**David Allen:** Yes.

**Lewis Macdonald:** And that would require a change in—

**David Allen:** It would need a clear change in policy and in how the SSCs work in Scotland. The SSCs in England are in a position to direct. Although I am not sure of our position in Wales and Northern Ireland, I can find out if the committee would find the information interesting. The review is due to end in the next few months.

**The Convener:** It would be helpful if you could give the committee a written note about those other positions.

I invite Linda McKnight and Andrew Martin to respond to Lewis Macdonald's points.

**Linda McKnight:** To pick up on what David Allen said, the training providers and educators get confused about what the industry wants—we usually take the rap for offering so many courses. We need to come together with industry leaders, understand what they need and develop it. That is at the root of our success. We need the committee's support to be able to develop that approach.

It would be interesting for training to be influenced "completely and utterly" by the sector skills councils, but instead I think that we need to take a joint partnership approach to ensure quality assurance and so on. There is a broad agenda to consider.

I will steal a moment to tell the committee about some of the initiatives that we are involved in. We work with Fairmont—formerly the St Andrews Bay Hotel. We deliver training on site through our skills academy and we are replicating that model in Aviemore. We provide on-site pre-recruitment training for chefs and front-of-house staff. We teach the teachers too. Teachers from Perth initially came to learn cake-decorating skills and we roll that out nationally now. We are also working with graduates from the University of Dundee who came to us to learn some skills, a prime example of which is knife skills. We work with our colleagues in Scottish Enterprise in Fife on training needs analysis and work closely with employers in the area to deliver training. My final point is that perhaps we need to have a close look at funding.

**Professor Martin:** The work that Linda McKnight's organisation does in St Andrews is great—I have been down there a couple of times recently and it is a good model. St Andrews is world class. Well done to Adam Smith College. We are validating some of the Centre of Applied Tourism and Hospitality Management stuff too, so I will see people up there.

I say to Lewis Macdonald that, to an extent, the market dictates how we attract people. The students have to decide where they want to go. Before a product is offered, we have to validate it—it is called a validation event. Before I left yesterday, rather scarily I found a note on my desk saying that we have to look at a validation for an MSc in India. When I go back, I will have to develop a bespoke MSc for the Indian market. It is interesting to see where the requests are coming from these days and to reflect on the fact that the subcontinent is asking us for help.

The relationships between us and our clients, such as Disney, are important. They like what they buy from us, so they will deal with us. Again, the market dictates what products are available. We have products that we have ceased because people do not want them. It is as simple as that. If we are offering something that the market does not want or that is not valued by employers, it will not continue.

Although David Whitton thought that my earlier point about location was irrelevant, the fact is that accessibility is important. People cannot afford to decamp to a location elsewhere. However, if we are being clever—and I am looking at David Allen now—the sector skills councils and education providers can deliver bespoke products online. The products have to be accessible to the whole of Scotland. People 1<sup>st</sup> has a role to play in that regard. Do employers value what People 1<sup>st</sup> delivers? Can we ensure, through the use of technology, that developments that are made in

centres of excellence are accessible to people across the country? We should roll the model out. If we can engage in such joined-up thinking, we can take the work further than just one location.

**Shirley Spear:** But are we going to get youngsters sitting at computers teaching themselves the skills that they need from a distance? It is just not going to happen. It is hard to get people even to do SVQs.

**Linda McKnight:** It is a support—

**Shirley Spear:** But it is not the way forward.

**Linda McKnight:** Our sport and leisure department has a programme for Fife Council, which is the largest employer in the leisure sector in Fife. Our staff train mentors in Fife Council's leisure centres so our sports students can have work placements in the leisure industry. The Fife staff are being trained to mentor our students on site. That type of model has to be considered further. Technology does not mean only computers.

**Professor Martin:** I will send you what we have—

**Shirley Spear:** But I have to have the time to do it on top of everything else.

**Linda McKnight:** You could put it on an iPod.

**Professor Martin:** Listen, this is important. It is learning in a different way. You click on a button and my good friend, Cheryl Paul, talks to you. The screen is engaging. You have got real-life case studies. You have got marketing managers and people in kitchens. You actually walk around and have real people talking to you. Then, at the end of it, there is a self-test questionnaire or some academic stuff. It is not just a lot of rote forms; it is dynamic. I think—

**The Convener:** We could probably debate this matter all day, but we are going to have to stop. I am terribly sorry, but we are out of time, as we have to accommodate the next panel of witnesses. I thank you all for coming to Parliament this morning and giving us thoughtful, exciting and stimulating evidence. We will follow up the matters that have been raised. If you have further thoughts or if you think that certain issues have not been raised or dealt with fully, please write to us or—dare I say it?—send us an e-mail or a steam-powered fax or whatever form of technology we have nowadays.

We will have a five-minute comfort break.

11:13

*Meeting suspended.*

11:22

*On resuming—*

**The Convener:** I thank our next panel of witnesses for coming here this morning to help us with our inquiry into tourism. We have already had a stimulating evidence session this morning; I am sure that this one will be equally stimulating. I started this morning's deliberations by asking our previous panel to introduce themselves and to say a few words about the businesses that they run; I ask you to do the same. It would be helpful to the committee to get the context of the issues that we are likely to encounter.

**Ross Anderson (East Lochhead Country House and Cottages):** We run East Lochhead country house and cottages, which is a bed and breakfast with three bedrooms and five self-catering cottages in Renfrewshire. We have won a couple of thistle awards for service and sustainable tourism. That is our business.

**James Thomson (Prestonfield and the Witchery):** Twenty-eight years ago, I opened the Witchery, with three staff. Since then, the Witchery has grown and now has seven suites. We opened the Tower restaurant in the museum of Scotland 10 years ago and we bought Prestonfield house five years ago, transforming it from a three-star hotel into Edinburgh's only five-star hotel.

**Joan Campbell:** I came into the tourism sector 40 years ago, except it was not called a tourism sector then, and there was no such thing as exceeding expectations. I drove up a one-bedroom bed and breakfast to become a five-bedroom establishment, doing taste of Scotland dinners and so on. Then, I took it back down to three bedrooms, because I wanted to support the tourism industry on a wider basis and, more than anything else, support quality. I retired from that after 40 years, last November. I am very grateful for this opportunity to speak at the committee.

**The Convener:** Not at all—thank you.

**Jim Cowie (Captain's Galley, Scrabster):** The fishing industry is my background, and I spent almost 40 years in it. More recently, I saw an opportunity to renovate an ice house and salmon bothy in Scrabster into a seafood restaurant. My wife and I are now into our sixth year of operating it. Last year, we won a thistle award for taste of Scotland. We have a gold award with the green tourism business scheme.

**Tony Mercer (VisitScotland):** I am head of quality and standards at VisitScotland. I am responsible for the range of six grading schemes and 11 welcome schemes, which encompass the businesses that are represented here today. All my fellow panellists are members of the quality assurance schemes. More than 9,000 businesses

work with us. Quality has always been the driver of the grading schemes in Scotland, unlike in many other destinations. That is what has taken us to our current position in the delivery of quality and in our work with businesses on improving quality.

**David Smythe (Association of Scotland's Self-Caterers):** Good morning. I am a farmer by trade and by background, but we have had three self-catering cottages on our farm for about 20 years now. We have always been members of the Scottish Tourist Board—now VisitScotland—quality scheme, and we have supported what it does. Wearing my other hat—and this is why I am here today—I am chairman of the Association of Scotland's Self-Caterers. We are a trade association with around 550 members throughout Scotland, providing about 2,500 bed spaces. We are committed to quality. We promote only our members, who are quality assured. We will not promote anybody who is not in the QA scheme.

**The Convener:** As some of you will appreciate, we dealt thoroughly with training regimes in our earlier discussion. We are happy to touch on that again, but we are also interested to discuss the wider perspective with this panel. I will give first crack to members who did not get in during our first session.

**Gavin Brown (Lothians) (Con):** Tourism is possibly the most competitive industry in the world, with every country offering it in some shape or form. Standards are critical. The chief executive of VisitScotland stated before that we need to be more Switzerland than Latvia—I think that was his phrase.

What role does the official quality assurance scheme play in the businesses that you run? Regardless of the answer to that question, what other things really drive you towards tourism excellence?

**The Convener:** We will start with Ross Anderson and work our way round the table.

**Ross Anderson:** We are four star, and we have always been quality assured. We have regarded the visits of VisitScotland inspectors as a plus and an opportunity to keep abreast of standards. We are also gold members of the green tourism business scheme. That is also a QA scheme and, in our view, it is very important. We have always majored on the environment. We are a small farm, too. Recent surveys, in the south of England, London and elsewhere, have shown that if people are environmentally responsible, visitors associate that with quality. That is an absolutely crucial link, which we have promoted throughout our existence—and we are known for that.

**James Thomson:** Likewise, we have always been involved with VisitScotland and the quality assurance schemes. The merger with the

Automobile Association and the adoption of one standard have been useful for the industry. We work with VisitScotland inspectors to consider how to remain ahead of the game and maintain our five red stars. Standards are changing every year—they are getting much higher. The world market is becoming more competitive. We must constantly consider ways to improve and communicate our product and to get more people to visit us.

Quality is often viewed as being expensive. Scotland is certainly not a cheap destination, but a good cup of coffee costs as much to make as a bad cup of coffee; it is down to the attitude of the person making it. Quality is at the core of our culture and it needs to remain there.

11:30

**Joan Campbell:** When we got the opportunity to have a quality assurance scheme under the Scottish Tourist Board, as it was then, I initially saw its role as a marketing one. It took a while to bed in, and some of the issues that we are discussing today are the same ones that came up then—people are remembering too far back instead of going forward with the changes. For me, it was imperative to use the quality and standards to improve my business—to listen to the tourist board and work with it, and to step over what we knew was not right in its delivery, until the tourist board changed along with us to deliver the product well.

I found the scheme to be helpful and valuable, especially when the concept changed so that advisers rather than inspectors were used. What drove me forward an awful lot was not just the desire to compete with myself, which I have always had, but the desire to get out into the field, because I have always seen the people who run businesses around me as colleagues rather than competitors and, eventually, I wanted to link people up to improve the community. That is important, because a vibrant community will attract people; a single business cannot do that on its own. VisitScotland is the only game in town for marketing opportunities and quality standards. One has to be a very good ambassador for it, to get other people to link in and drive the community forward.

**Jim Cowie:** I feel strongly that the Scottish brand is the best brand name in the world, and it is all about quality. As far as the quality assurance schemes are concerned, we have a gold award for green tourism, which means a lot to us because we do consider the environment around us. We also have a silver award from EatScotland, and that organisation is well aware that we are coming back for a gold one. It gives us something to use as a measure. As Joan Campbell mentioned, such awards offer publicity that no small company could

ever afford. I feel strongly that food in particular should not be sold cheaply—it is not cheap, and it should be sold as quality. We get absolutely the best food in Scotland, and we should focus on that.

In our own business, there is a partnership between suppliers and customers. We have an ethical policy, part of which is to source all our material from within a 50-mile radius. Every night, our menu tells the customer who the suppliers of the food are. It is about building trust, and being open. That works both ways—we have had suppliers saying, “I had one of your customers telling me that they ate our scallops.” To me, that is great. We have nothing to hide—it all comes down to quality.

**The Convener:** We will leave Tony Mercer out of this one—it is not a fair question for him.

**David Smythe:** We formed our association 30 years ago because there was no quality assurance scheme at the time. There was a lot of dodgy self-catering about and we felt that it was time that the quality people clubbed together to form an association. Since then, the Scottish Tourist Board, now VisitScotland, has developed a quality assurance scheme, which initially used a system of crowns for commended accommodation and which now uses stars. The scheme plays a huge role by providing a benchmark for our visitors—it is important for them to see that accommodation has been inspected independently every year. It also provides a benchmark for other businesses and shows how the whole tourism industry fits together.

We must acknowledge that a raft of non-quality-assured businesses are operating, and perhaps we should consider how we can get businesses to take part in the scheme. There are some easy fixes. We could give the scheme more publicity, which, as well as telling visitors about it, would tell businesses that it was worth promoting, thereby adding value. In addition, we could modify the annual visit, which strikes a balance between inspection and advice. Less advice has been provided recently and I certainly feel that if the advice content of the annual visit was increased, businesses would view the process more as an extremely valuable one-to-one business consultation—which is what it is—than as a straight inspection visit.

Another critical role that quality assurance plays is in driving investment in the industry. A business that has four stars must invest to keep its four stars, never mind try to get five stars. With holiday accommodation, wear and tear is high and tolerance of scuffs and shabby appearance is low. Every year, businesses must put in a great deal of investment just to remain where they are in the scheme.

The thistle awards are another way of driving tourism excellence. We have a thistle award winner with us, in Jim Cowie. I beg your pardon—we have two silver thistle award winners with us. In fact, I think that all my fellow panellists are thistle award winners, apart from Tony Mercer.

**Joan Campbell:** I got the silver thistle award.

**David Smythe:** The thistle awards certainly drive excellence. There are also chambers of commerce and business awards right across Scotland.

The pride and passion movement, which has emerged from the tourism innovation group, should also be mentioned. It acts as a broker of best practice for tourism businesses. At the moment, it is underused and could be developed, particularly to tackle other businesses—not necessarily in tourism—that meet visitors. I am talking about shopkeepers or taxi drivers, for example. That vehicle could be used more effectively to drive tourism excellence.

**Gavin Brown:** I have an unrelated point, which emerged from our discussion with the first panel. I think that we have a bit of problem in Scotland with what is called front of house in restaurants and hotels. An example of that is the fact that, at the last few hotels that I have been to, I have been asked for my credit card details before I have been welcomed to the establishment—although maybe that was just me.

**Brian Adam (Aberdeen North) (SNP):** You are a shifty-looking character.

**Gavin Brown:** I would like to know what the tourism business owners who are with us do as regards their front-of-house activities. How can we lift Scotland's reputation for front-of-house service?

**The Convener:** We would be grateful if you did not comment on MSPs being asked for credit cards first. Gavin Brown has asked an important question.

**Joan Campbell:** I would like to respond, even though I do not have a huge problem with front of house, given that bed and breakfast establishments are known for being privately run—although some of them employ staff. I listened with interest to the previous panel's deliberations on training and so on. The panel seemed to believe that no college provides hospitality courses at a hotel school, but North Highland College up in Thurso—which has five campuses, one of which is in Dornoch—has bought the Burghfield hotel in Dornoch with the intention of turning it into a hospitality school.

I have stepped down from the college board, but I checked that the initiative is being taken forward before I came to the meeting. Only five rooms will

be delivered. I was behind the drive to get money for the initiative, because I strongly believe that training should be delivered not just at colleges but front of house, so that students do not lack experience with guests. The only way people can learn to get it right is by working with the public, who pay for the accommodation. That will happen in the north and we hope to be able to take students from all over.

Training is essential, even for bed and breakfast operators, but people go to fewer and fewer courses. Long ago we used to attend many courses. I still meet a group of about 12 bed and breakfast operators twice a year. We have been meeting for about 15 years and three of us are retired. We have tremendous difficulty in getting new people to join us for our meetings, which are social lunch gatherings at the colleges, so that we can keep an eye on the services that colleges are delivering. It is difficult to get bed and breakfast operators to attend such meetings.

A conference for bed and breakfast operators will take place in Inverness at the beginning of March—I think that it will be the first such conference to be held in Scotland. The person who is delivering the conference has had tremendous problems getting funding for it. Bed and breakfast is not being given its proper place in the tourism sector and its needs are not being met. I acknowledge that much of the drive must come from operators themselves, but it is difficult to get funding for events for them.

**The Convener:** Does anyone else want to comment on Gavin Brown's point about front of house?

**Jim Cowie:** We have a small restaurant. My wife, Mary, looks after the front of the house and I am in the kitchen. Much as I like to think that we do nice food, I am the first to say that front of house is more important. No one wants a bad meal, but if they get a reasonable or so-so meal they will give the place a chance and go back; if they get bad service they will never go back. The first and last contact with the customer is front of house. My wife has been a nurse for most of her life and she is a mother of two, and I always joke that everyone who comes into our restaurant is mothered and nursed. That is just the way we do things. We are small enough to be able to give personal service. People comment that they feel more like they have come into Jim and Mary's house than into a restaurant. That is our product; that is what we offer. Front of house is important.

I booked accommodation for last night—we came down yesterday. We went on to the VisitScotland website and found a guesthouse that is in the right area. We liked the quality of the place, so we telephoned. The people insisted that we must receive an e-mail from them to confirm

the booking—we were still up north, of course. When the e-mail came through I printed it off. It consisted of a page of instructions telling us how much we would have to pay if we cancelled within 14 days or seven days of our arrival date and that we would have to pay the full amount if we cancelled after that unless the guesthouse could fill the room. All that just to get one night's accommodation. It turned out that the place was fantastic and the people were really nice. We would have no hesitation in going back, but—

11:45

**The Convener:** Quite—a well-made point.

**Ross Anderson:** Obviously, as a bed and breakfast, we do not have a front of house, but we welcome people into our own home and we must spend time with them. That is sometimes difficult to do in a hotel, but guests want time with us, particularly Americans. They are less hooked-up on quality than they are on talking to us and getting to know what we do.

The front of house welcome is, as Jim Cowie just said, the second stage; the first stage is the booking. So many people let themselves down by not being welcoming, nice or pleasant on the phone or in e-mails. That is down to training. We started B and B 15 years ago, but we are invariably the only B and B on training courses. The former Renfrewshire Enterprise and others would run courses, but could they get the industry to go out there and get engaged? Small operators feel that, in a sense, they do not need training, but they are the ones who really do need it. There should be incentives or a compulsory registration scheme that says that they must have training.

**David Smythe:** The training landscape is crowded, as I am sure the committee has heard this morning, and it is difficult for a small business to identify where it should get training. The people skills aspect is often lacking in training courses. There is plenty of training on the catering side—for chefs, for example—but not enough on the skills of dealing with people.

A course called "Welcome Host" was rolled out across the industry and allied industries a few years ago. There is now a course to replace that called "One Hundred Thousand Welcomes", which I think has just about got going. However, finding training is difficult for small businesses. It is also difficult for them to get the time to come out of the business to go and do training because day-to-day matters can be time consuming.

**Joan Campbell:** I worked hard with our local enterprise company when I was on the board to get it to change the timings of its courses so that they could incorporate bed and breakfast businesses. Often, just one person runs a B and

B, so it can be difficult for them to attend courses that start at 9.30 or 10 o'clock in the morning; there is also the difficulty of geographic spread. Course deliverers must take such difficulties on board if they want to encompass B and B operators. They must also take on board that training does not have to involve just learning how to cook and whatnot, and that there is a great opportunity for computer training and that type of thing.

People's first awareness of their potential hosts often comes through such electronic means. I set up a course with a college years ago to get people into that type of thing. Money was found to do the course and it came on board, but it was never repeated. That is what happens. It was the same when there were courses for chefs for dinners—it was dinner, dinner, dinner—but for us, everybody eats breakfast and not everybody eats dinner. For me, a breakfast course was needed. We worked hard in the north to deliver a breakfast course with chefs. It was highly successful and other enterprise companies picked it up, but did we do it again? No. There is a lack of consistency in the delivery of training that works.

**Jim Cowie:** Can I just add a point about front of house? We went for a meal in Edinburgh last night. It is not fair to mention where, but it was fantastic and I was delighted with it. We had read a lot about the restaurant and know the guy involved. It was a fantastic meal, but I felt almost let down a wee bit by the front of house. Maybe it was me who was wrong, but I found it difficult at times when the waiters were explaining the dishes. They were obviously well trained and they knew the food that was being presented, but because some were our European cousins, it was difficult to get that across. As I said to my wife at one stage, if I was to be in any way critical of the restaurant it would be because, if I were in Paris, I would have expected that, but I did not because I was in Edinburgh, and I felt that I should not have had to—

**The Convener:** We take your point. Absolutely.

**Brian Adam:** I am delighted that Mrs Cowie has found a house up in Scrabster. Her mothering and nursing skills will undoubtedly have helped to contribute to her success in front of house. Perhaps that is something that our higher and further education colleges might want to think about. Many of them run nursing courses as well as hospitality courses, and the people skills that are required for both may provide an opportunity for cross-over. That is a key area.

I want to be slightly more controversial. Mr Anderson has suggested that compulsory registration might be the route for us to go down to provide quality assurance, but we are looking for an improvement in quality as well as assurance.



What evidence is there that the current standardised system brings more business or repeat business? What evidence is there that your customers are looking for things other than the five or three stars? Are they looking for other people's experience, as reported on websites such as tripadvisor? Have the quality assurance schemes run their course? Do we now need immediate feedback from customers?

**The Convener:** Let us start with Tony Mercer. Have the schemes run their course—yes or no?

**Tony Mercer:** The evidence from customers—visitors to Scotland—is that they have not. Various pieces of research were carried out last year, two of which show that the schemes are now even more important to customers in making decisions on where to stay, where to travel and where to visit than they were in the past. They are increasingly being relied on.

We foresee continuing evolution of customer feedback websites such as tripadvisor, blogs and information websites, which have developed fairly recently. It is interesting that one of the main booking sites that hosts a major customer feedback element—latebookings.com—has approached us within the past six months to ask for official ratings so that it can provide its customers with a national benchmark that can sit alongside all the other information. We all know that the more information we get to help us make purchasing or other decisions, the better. We never reject it—it is not that new sources of information replace old sources of information.

It is also important to understand how the industry works with us, knowing that its customers use the grading schemes. This relates to an earlier question about the incredibly competitive world stage on which we are competing. In Scotland, we operate in a quite different way. The worldwide grading schemes that exist are either statutory schemes, such as those in northern Europe, or voluntary schemes that are run by government or trade associations. In Scotland, we are working with an industry that has recognised the importance of such schemes—we have heard that in evidence today—and that can be measured.

It is important to view the situation in Scotland in context. Eighty-three per cent of accommodation businesses in Scotland choose to work within the voluntary scheme. Our target is 90 per cent, and we are on track to achieve that. In England, a maximum of 40 per cent of accommodation businesses work within equivalent schemes, and the English are unable to get beyond that despite great efforts to do so. In London, less than 20 per cent of service and self-catering businesses of all types are in any sort of quality assessment scheme. That gives us the message that the industry in Scotland views the scheme as of value

to it, because it is of value to its customers in helping them to find the accommodation they want.

The schemes in Scotland are driven and designed by the customer. They are fundamentally different from schemes elsewhere in the world, which tend to be designed by industry or government to categorise accommodation into types. Our schemes are based on an assessment of the outputs of a business, and they are designed to provide guidance on other things that people might want to find out about when they arrive. That can be seen in reports from tripadvisor. We are not about stamping out individuality; we are about understanding and assessing what a business is trying to provide.

The place of quality assurance schemes in the decision-making process is well understood. As I have said, measures have allowed us to make sense of the mass of information. That information is useful but it is subjective, as it comes from customers or from guidebooks.

Information can play a part in developing a business. In Edinburgh, a very successful business opened last year—Smart City Hostels (Edinburgh) Ltd. It is a new and exciting product: a five-star hostel. That sector probably relies more on word of mouth and websites than any other sector, as backpackers and others travel the world looking for great accommodation, great value and great fun. For people in the sector, it is fundamental that the star system is in place and that they can use a star rating to promote their business.

**Brian Adam:** I would like to hear whether we should go down the route of compulsory registration. How easy it is for people to input to a search engine that they want, for example, five-star self-catering accommodation in the east of Scotland? Can the grading system be included? We are competing with the rest of the world, so why would the grading system that we have adopted be of any relevance to an international traveller who might be looking for a particular type of accommodation but is not necessarily familiar with VisitScotland's grading systems?

**Tony Mercer:** I will address the latter point first and then come back to the first one.

The grading systems were designed from the late 1990s. They were turned around. We went out and asked customers—overseas customers as well as customers from the domestic market—what they wanted from a grading scheme. We built the scheme around the answers. People do not want to read paragraphs and paragraphs about what makes up one star or what makes up two stars; they want to know that the grading scheme describes the quality on offer.

We considered the issue in detail with customers from Australia, North America, northern Europe and the UK, and we explained the system that was already working from the last round of research in 2004. The customers said, "Ah, that explains it." I remember someone in a focus group giving a particular example. They said, "That explains why, in the past, I've gone to a four-star hotel in Birmingham on business, and then two weeks later gone to a two-star inn in the Cotswolds, and found that the two-star inn offered much better quality, was much comfier, had much better food and was much more welcoming than the four-star hotel." That was their experience of a traditional categorisation scheme—a facilities scheme.

The scheme has developed to be what customers want from a grading scheme. People should not have to read about the details of schemes; what we need is more promotion of the grading scheme—as David Smythe says—but it should be along the lines of, "Look, the scheme is here and it means what you would assume it to mean." Three stars should mean what people assume it to mean.

Consumer research that we carried out last year and published in December showed that 95 per cent of the people asked—who were staying in accommodation in Scotland at the time—agreed strongly or very strongly with the star rating awarded. It is not about ticking boxes—saying, for example, that you must have a trouser press—it is about assessing the quality of the output. It is about assessing the quality of the breakfast service and the front-of-house service, the comfort of the bed, and so on. The scheme is built to be readily understood by a visitor, whether from Australia, North America, France or wherever. All our research shows that the grading scheme finally does what people hoped it would do.

**Brian Adam:** I can see that that might well work if someone has already made up their mind to come to Scotland and that they want to use the scheme to make an assessment, but not everybody has already made their mind up that they are coming to Scotland when they start looking.

12:00

How does the scheme fit in with international standards, particularly in relation to the customer who is sitting at his computer in the winter, looking for somewhere to go for his Easter or summer break? Can the grading system be included in the search engine in a way that ensures that it will be meaningful in an international context as well as in a Scottish context?

**Tony Mercer:** Yes, that can be done on [visitscotland.com](http://visitscotland.com) and on other websites. On [visitscotland.com](http://visitscotland.com), you can search by type of business. The descriptions that we use, such as country house hotel, are the ones that we know, through testing, customers use, rather than industry descriptions. We know that people say, "I stayed in a great three-star country house hotel." You can search by type, star level, membership of the green tourism business scheme, the level of that membership, whether pets are welcome, places that are in EatScotland, the level of membership of EatScotland and so on. The clear explanation of the schemes at the start of the accommodation pages makes absolutely clear how the schemes work, using the simplest language possible.

**The Convener:** There endeth the defence of the schemes. Let us now have the industry's take on them.

James Thomson, do people choose your restaurants because of the grading or because, as Brian Adam suggests, they have made an assessment based on information from [tripadvisor](http://tripadvisor.com) and so on?

**James Thomson:** Restaurants are different from hotels. People search for hotels by star rating on [lastminute.com](http://lastminute.com) or [expedia.com](http://expedia.com) and will go through the lists of what is available in Edinburgh or Scotland, but [tripadvisor](http://tripadvisor.com) and some of the blogs and so on are more relevant for restaurants. The VisitScotland grading scheme simply gives a pass or a fail. You would hope that most places pass. The AA uses rosettes, and some people choose restaurants on the basis of how many rosettes a place has. However, those guides are often out of date before they reach the press, because a chef has left a restaurant or the management or ownership has changed. That is why [tripadvisor](http://tripadvisor.com) or certain blogs are better for restaurants.

I would say that there is a need for a grading scheme for hotels and B and Bs. If you go to Italy or France and want to stay in a five-star or four-star hotel, you would certainly search on [expedia.com](http://expedia.com) or a similar site using that criterion because you have an expectation of what a four-star or five-star hotel will be like. On the [tripadvisor](http://tripadvisor.com) website, people who have had a good experience or a bad experience will write in. There are people in the middle ground who probably never get in touch, however.

**The Convener:** Do you have a perspective on compulsory registration?

**James Thomson:** We have too much legislation full stop, particularly with the new Licensing (Scotland) Act 2005. However, there are a lot of cowboys in our industry who need to be tackled. If

compulsory registration got rid of them or made them raise their game, that would be good.

**The Convener:** Does anyone else want to comment on that point?

**David Smythe:** Compulsory registration was always going to be the big stick that would be used if not enough people joined the quality assurance schemes when the tourism framework was set up. We have a good penetration of quality assurance in Scotland, certainly compared with other countries. As Tony Mercer said, we are on target to meet the tourism framework targets. We probably do not need to use the big stick. We could do more to promote the quality assurance schemes, which would bring more people in and give more businesses a more favourable view of what the schemes are doing.

I can understand the frustration of businesses that jump through all the hoops only to see a bed and breakfast open its doors for two weeks over the summer—for a golf event or something—without any quality control. It is piggy backing on all the VisitScotland marketing but not contributing to the industry.

At the moment, I would say no to compulsory registration. It would simply be another layer of bureaucracy at a time when, as James Thomson said, we already have enough bureaucracy to cope with. Moreover, who would be responsible for it? Would it apply only at sub-one star level and, if so, what would be the point?

**Jim Cowie:** I would be horrified if EatScotland were scrapped. As I said in my opening remarks, I have only a silver EatScotland award, and I am going for gold.

The fact is, as someone mentioned earlier, EatScotland is the only game in town. For a start, it provides a focus. As far as registration is concerned, I do not like the word “compulsory”, but my fear is that the tourism industry might go the way of the fishing industry, which was so fragmented that when the Government wanted to speak to it, it had to talk to 1,000 different people. EatScotland is what we have at the moment; it works and, far from being scrapped, should be encouraged.

I do not believe that we should introduce such a scheme and then change it after only a very short time. EatScotland has not been running for long enough. We have to give it, and our customers, time. It replaced another scheme that might be described as an unmitigated disaster. Brian Adam started his comments by saying that he was going to be slightly controversial. Well, I am now going to be very controversial. In the previous scheme, you could have bought a good report. We are now clear of all that. EatScotland has been tried and

tested and is trusted, and it should be encouraged and developed.

As for people deciding not what they will do when they come to Scotland but whether they will come to Scotland at all, that is not down to any single grading scheme. It is about an overall perception of quality. As soon as people think Scotland, they should think quality. Our restaurant is simply a seafood restaurant; we do not try to be all things to all people. When we started out, we were sure in our minds about our product and wanted to be very clear about our market. That remains our focus.

I do not have all the answers, but as I say I do not think that we should try to be all things to all people. We should not kid everyone: Scotland is not for those who want to take their bucket and spade to a beach and get some sun. Instead, we need to give people the perception of what Scotland is about, and then we will get those who want that experience. Although that might mean fewer people coming into the country, their spend will be greater.

**Joan Campbell:** People who live in small communities have a better knowledge of what is going on round about them, and it is the people who are graded—or, if you like, registered—who get the business in the summer months. There is no doubt about that. That is why the signs appear on other properties only for a limited time. They do not get the business the first time round but simply take the fall-out. Of course, that would not happen if we did not have a quality registration scheme—which, I have to say, is all the industry has at the moment.

I would support compulsory registration, despite all the problems that it could bring about, for two reasons. First, it would kick out the cowboys. Secondly, when someone is considering staying in an area, they see only the few registered places and think that there is nothing else there. They do not then want to visit the area, which is deeply unfair because there are lots of good unregistered and ungraded places as well as the places that they see on the websites. It gives the wrong impression. However, as long as businesses can take the fall-out from others and do not have to dip into their own pockets, they will not register. Even if they know that they will make more money from being registered, they will not spend the money initially if they can get away with not spending it. For those two reasons, I would support mapping of some kind, so that we know where we are.

As was mentioned earlier—I think by Shirley Spear—I would have to report those unregistered businesses. However, I once organised an Inland Revenue meeting for bed and breakfast operators at which we were astounded to be told by the chap who represented the Inland Revenue, when we

asked what it was going to do about all the people who did not pay tax, that it was going to do nothing—it was still going to pick on us. A lot of us had been subjected to investigations, which were dreadful and undeserved—it was sometimes a matter of money having to be paid back by the tax man instead of his taking money from us. There was at least a year of such unpleasantness, but the man from the Inland Revenue said that it was going to do nothing about the unregistered businesses because it did not have the time to chase those places, which did not exist as far as it knew. He said that it was up to us to report them, which I think is outlandish. Registration would solve a great deal of the problem.

**The Convener:** Honesty with the Inland Revenue: discuss. But not today.

**Ross Anderson:** I support everything that Joan Campbell has said about compulsory registration. It could be a nightmare, but I deeply resent the cowboys who just pop a sign outside at certain times. We hear from our guests who have stayed at such places, whose experiences have been nightmarish and have not left the right impression of Scotland as a whole.

Now that the AA and RAC grading schemes have been combined, there is a consistent product, but I do not think that many people search first according to the number of stars; that is a secondary check and they look for other things first. When we talk about quality, we really ought to talk about other things. It is not just about the accommodation and the restaurants: it is about the environment, service—which we have covered—and travel. It is also about the landscape and the rubbish tips that we have between Glasgow airport and Glasgow and between Edinburgh airport and Edinburgh. We are the dirtiest nation I can think of—the littering is horrific. Quality assurance must cover all those things as well as visitor attractions, history and culture.

**Tony Mercer:** We considered a range of statutory registration schemes throughout the world, and we asked whether they appear to have any effect on maintenance of, or improvement in, quality. The answer was that they do not. Northern Ireland has had such a scheme since the late 1940s, but the authorities have only once used the fairly stringent powers that they have to take someone to court and close a business because of quality issues. As you have heard today, VisitScotland would rather continue as an adviser, working in partnership with industry, than take on the role of policeman, which would be the danger if we started to work arm in arm with tax-raising agencies.

**The Convener:** Please bear in mind the fact that the committee's concern is not about the excellence of your businesses, but about the

businesses that are not operating at the same level. We want to know how they can be dragged up to the same level.

Chris Harvie has been very patient.

**Christopher Harvie (Mid Scotland and Fife) (SNP):** As Ross Anderson suggested, it is about the quality of the ambience. I am a sort of tourist entrepreneur in Germany. I have run an annual conference in the Black Forest for 17 years in co-operation with a family-run three-star hotel there, which has been brilliant. Its standards have risen steadily throughout all the time that I have been dealing with it. I have total trust in the people who run it, and I know that they are brilliant at organising an extremely difficult weekend that involves bringing people from all over Europe. I have had similar quality service in Scotland.

12:15

I do not have much in the way of criticisms of the tourism industry itself, but I do have a lot of criticism—amounting to “despair”, as Ross Anderson said—concerning the quality of what we are selling in terms of urban identity, ambience and the quality of the people that tourists meet while travelling around the country. We also heard some observations earlier regarding recruitment difficulties.

I will give some examples from a journey that I made to meet friends in Carlisle 10 days ago. First, it involved paying a rail fare for what was actually a bus journey that went as far as Lockerbie, because the line was closed for improvements. One should put such “improvements” in inverted commas, because the line seems to be closed all the time. On getting to Lockerbie, I discovered that the place is a dump—it was Tescotown. It should really have a certain attraction of a rather sombre kind as a place where something terrible happened; there are, after all, places on the western front and that sort of thing that have such an attraction for families who have lost people there. There are some attractive Victorian buildings, but roughly two thirds of the shops in the main street are derelict, and there were lots of kids hanging around the place smoking, drinking and so on. It was not in the least attractive.

In Carlisle itself, the street of Botchergate is a booze canyon. At our hotel, the manager said that they have tried to stop them, but another four pubs have opened up in the last three years. It is just a booze alley—the conditions can be imagined. Going out for a meal on a Saturday evening, even if there were any good places—that would apply to the Scottish side of the border as well—would involve taking one's life in one's hands.

There is also the issue of Scottish youth, and I am afraid that I have to describe it in the following way. Travelling back and forth on the bus from Galashiels, the local kids get on and put their feet, with big muddy trainers, right up on the seats opposite. If one tried to tell them to remove their feet from the seats, one would be likely to have a very miserable journey from then on. The kids are a problem, and those are the people that the industry needs as its staff. It is a problem that one encounters almost nowhere else in Europe. It must also be said that the most immense fortune that has been made in Scotland in the past few years—that of Tom Hunter—has arisen from selling people what must be the ugliest clothes worn by anyone on the entire continent. Bavarian kids rarely wear anything other than knickerbockers or something like that, but here that is replaced by universal sports goods, barely concealing the fact that Scotland is perhaps the least healthy nation in western Europe. We have a lot of problems there. Our remit—

**The Convener:** What would you like to ask?

**Christopher Harvie:** I will come to my biting conclusion.

**The Convener:** Your biting question would be good.

**Christopher Harvie:** Our question is about how we can increase tourism by 50 per cent. In other words, how do we put it back roughly to where it was around 1990, when our tourist balance was the same going in and out? The various things that I have suggested are major inhibitions to that. Poor public transport, run-down towns—because of our supermarket culture—and kids who live in a society that is no longer mechanised and industrialised and therefore has no good vocational jobs to offer, all contribute to a very poor urban ambience. Those are the factors that I am questioning. We can get so far by improving the article itself, and the tourism industry has done marvels in that respect—the actual standard of tourism in Scotland is much higher than it has been before—but we are up against great problems.

**The Convener:** That is quite a big picture—please feel free to comment on any or all of it.

**Jim Cowie:** Can I make a comment about Lockerbie?

**The Convener:** You might want to—I hope that you were not born there.

**Jim Cowie:** No, I was not born there, but I had a slightly different experience of the town compared with your good self, Professor Harvie.

I found myself on business in England and, when I was on my way back, there was a flash snowstorm. The A74 was completely blocked—

nothing was moving. We were directed to Lockerbie, where we stayed overnight. Remembering the tragic circumstances that befell the town, we found that everybody, to a man, was out helping. We were taken to the school and were supposed to be staying there overnight. Because of their experience, the people were all absolutely fantastic. There was a funny end to the story. We did not actually end up having to stay in the school, because in the car with me was a very well-known Celtic player. When we were in the local supermarket, getting some food for the night, somebody spotted him and said, "I've got a room." We were taken to the local hotel and were given a room there. When we walked in the front door, everyone was ready, and the "Fields of Athenry" started up on the music system as we walked in. I ended up getting treated like royalty, because of my friend. As far as the hospitality in Lockerbie was concerned, through tragic circumstances, the people had it off pat, and they handled everybody with perfection.

On the bigger picture and the question of how we increase tourism in Scotland, like most of us here, I think that it is quite achievable within the time that you have suggested. If we want to do something by 2015, we should not say that it has failed if we have not got there by the end of 2009. We have to be focused. If we are given the time, we must use it. I would have no hesitation in saying that priorities 1, 2 and 3 should be quality, quality and quality. It has to be about the quality of our product—Scotland—the quality of the experience that we give people and the quality of our produce and of what people get when they are here.

**The Convener:** I do not wish to stop anyone commenting on other areas, but one thing that Christopher Harvie rightly raised—it has come out in evidence, including this morning—is the question whether school leavers are ready to walk into your industry. How do you attract them? It would be helpful to have your perspective on that, as well as on the other issues that Christopher raised.

**Joan Campbell:** I believe that we will reach the target if we each take whole ownership of our remits. First, it is the remit of VisitScotland to market the best of Scotland for us. Secondly, the operators and the sector itself should take hold of their businesses and make them the best for everybody. If they continue to do that, we will be okay. Thirdly, we have to rely on local authorities in relation to what Christopher Harvie brought up regarding poor areas and so on. We need to work with them and keep letting them know that we see the need to get things done in our various communities. Fourthly, it is the responsibility of colleges and the schools to deliver our children back to us, although there is also a responsibility

at home for that. We need children to see tourism as a decent prospect for their future. If we can follow those four remits, Scotland could continue to be one of the best places in the world to visit.

**James Thomson:** We work with Springboard, which seeks to influence the industry, particularly through home economics teachers, parents and schools. Springboard goes into schools and works with the children. We send our chefs to two schools in Edinburgh, and we sponsor cookery competitions, which helps with diet and makes children more confident in knowing and understanding food.

The demise of the high street is a big concern for tourism, particularly in rural areas, but also in Edinburgh, where out-of-town shopping malls are making Princes Street a dead area, with budget shops on short leases selling sale goods and so on.

In my opinion, one of the big problems in the industry is that we in Scotland export most of our grade A food produce and keep grades B, C, D or whatever, whereas France, for example, keeps the grade A produce for itself. I was in Skye recently and found that it is almost impossible to get Staffin Bay prawns because everything goes straight to Spain. In the restaurant market, we often buy Scottish produce from markets in London, Paris and Spain, which goes there from Scotland then comes back.

We have the finest natural larder in world, but we are allowing it to be raped and pillaged by big concerns that take the produce abroad. We need to allow some of it to be left in Scotland because food tourism is a big industry. When people go around Scotland, for example to Skye or even Edinburgh, they want to have good Scottish seafood, meat, lamb and venison, but it is becoming difficult to get.

**The Convener:** That is an important point. Colleagues might want to bear in mind the Government's current exercise on food policy. We might want to reflect on the points that have just been made and feed them into that exercise, because I think that they are pertinent to it.

**Ross Anderson:** I was going to make the point that the answers to some of the concerns that Christopher Harvie raised are in his hands because joined-up government does not seem, at times, to be particularly evident. Many of the implications of various things that happen are not seized on or related back to the tourism industry. A similar point was made during the previous panel session, when it was said that tourism does not have the status that maybe it should have for the Scottish Government.

Again, on the wider scope, it is important to realise the implications of some things and their

impact on others. For example, I think that it is an utter disaster for the environment that wind farms are sited in, or approved for, certain places. When you ask people what they come to Scotland for, they say that they come for the wilderness, the natural environment and so on. We are in danger of shooting ourselves in the foot in that respect. The same is true with transport. We must sort out inter-relationships. You gentlemen have got to think hard about that.

**The Convener:** That is an entirely justified and fair observation.

**David Smythe:** Just to add to what has been said, we are not going to sort out the ugly buildings, youths hanging around the streets and Lothian Road being the Falaraki of the north on Saturday nights. A change of mindset must happen at school level. We have been talking about that for a long time, but I do not know whether it has happened. We have Springboard Scotland and the pride and passion initiative, but there is also a case for building in something at school level on basic behaviour. For example, our local primary school has litter just outside its playground, and we must ask ourselves why that happens and why it is not being prevented. I am talking about basic courtesy and how to treat visitors, who are important and have come a long way to be here. I think that early primary school can be good, but a sort of rot sets in at the end of primary and the beginning of secondary. Those kids must somehow be got hold of so that we can turn things round a little bit. That is not really our problem; I think it is Parliament's.

We have touched on cross-cutting issues like transport, particularly transport planning, which must be dealt with better if we are to achieve the 50 per cent target. We must grow shoulder-month business, cross-sell what we do and ensure that our visitors get the best out of their visits and that they know what is going on. We can go a long way to achieving the 50 per cent target by doing that.

**The Convener:** I want tight questions from anyone who has not asked a question.

12:30

**David Whitton:** One of the submissions that we received when we asked for written evidence came from Mr Neil Hart, who is a former quality adviser to VisitScotland—I do not know whether Mr Mercer knows him. He has some pertinent views to make about the quality assurance scheme. He writes:

"Taking Inverness as an example, less than 10% of available tourist accommodation is represented by Visit Scotland."

I do not know whether that is true. If it is true, it does not say an awful lot for tourist

accommodation in the capital of the Highlands. Visitors to that part of Scotland would not be guaranteed a very good experience if that was the case.

Mr Hart's answer to the question whether there should be compulsory registration is to turn the issue on its head and make registration a must-have for businesses. VisitScotland could advertise the scheme by saying, "If you want to have a good visitor experience, look for the people who are registered and do not go near the ones who are not." That would encourage the businesses that are not registered to meet the standards or they would not get any business. I would welcome your views on that.

**Tony Mercer:** I read the submission, but I honestly do not know where Neil Hart got the figure of 10 per cent from. It is not reflected in any statistics that we have.

**David Whitton:** He said that you would deny it.

**Tony Mercer:** Yes, he did. We cannot win. As far as I know, the figure for businesses that are participating in the voluntary scheme in the immediate Inverness area reflects the national figure that I mentioned earlier—83 per cent—which compares favourably with much lower figures in countries such as England.

There are various ways in which we could go if we wanted to promote the voluntary scheme. One of them is what we call a health warning—"You're on your own if you don't use the grading scheme." There are also positive ways of selling that. However, as Joan Campbell said, we must remember that there are a small number of very good places that do not need to participate in the grading scheme. They exceed our minimum standards and survive on their own. I can think of many such businesses in the north of Scotland.

People can send VisitScotland their complaints about non-graded businesses. They will receive a high profile and will be forwarded. Nevertheless, we must reach a point at which we say, "You're on your own. Go to the places that we've checked out." One of the things that make us competitive in the world market is the fact that, not just for accommodation but across all sectors, we can say that we have checked most places out, whether they be visitor attractions, hotels, bed and breakfasts or guest houses.

**David Whitton:** Mr Hart's suggestion is that you could run an advertising campaign that said:

"Staying in accommodation that is not quality assured could seriously damage your holiday".

To pick up Joan Campbell's point, if a lot of small places are not registered, why are we not encouraging them to register? Could we not promote them by saying that, although they are

not registered, they are very good? We will increase tourism by 50 per cent only if Scotland is regarded as a place to visit that has high-quality accommodation.

**Tony Mercer:** The businesses that are not registered tend to be in areas such as Sutherland and their business is seasonal—just a few weeks in the year. Alternatively, they can be in cities such as Edinburgh and open only during the festival or when there is a rugby match, after which they close again. They are difficult to identify and, because they fill when they choose to open, it is difficult to persuade them to enter our grading scheme.

We want to make the grading schemes inclusive and we are aware of the need to keep costs down. The costs are not onerous, but we are looking at how we can make our work easier for businesses to access so that they can get over the first hurdle—so that they can get up to that point instead of having first to meet our standard and then get over it. It is about drawing people towards us.

**David Whitton:** Mr Smythe said that there used to be inspection and advice but that there now seems to be more inspection and less advice. Can we turn that round, so that businesses that do not meet your standard at the moment can have an inspection that is not so much about lifting things up and pulling your finger across the mantelpiece to see whether it is dusty as about giving advice on how they could meet the standard?

**Tony Mercer:** Exactly. It is the way in which we give the advice that has changed. We devote 40 per cent of the time that we spend with each business every year to advisory elements that are separate from the inspection. When we introduced the advice part, seven years ago, it was structured and presented to the businesses during the visit as information on training needs, on what training courses were available in their locality and on what marketing opportunities existed. It was a directing and signposting exercise. Over the years, we have started to tailor our advice, as we have got to know which businesses know about those things already and we have started to identify the businesses that are not aware of them.

However, we should restructure the advice to make it a little more formal. Efforts to customise advice for each individual business—among the more than 9,000 businesses that we work with—have perhaps led some people to switch off every year. We have to re-engage those people, and we are taking steps this year to change the advice and to have more of a prompting exercise. People may not realise that they want to ask about a particular issue, but we should advise them of the questions that they should be asking us.

**David Whitton:** I would make one final observation: I am delighted to hear about Joan Campbell's hotel school in Dornoch.

**Ross Anderson:** I support Mr Hart's view that much more positive marketing is required to let customers know about the value of the quality assurance scheme. GTBS needs much more promotion to the customer. I hate targets, but the targets set for membership of GTBS by 2015 will not be met unless VisitScotland gives marketing support.

VisitScotland also has to consider its engagement with the industry. At one time, people had much more contact with VisitScotland, but now the business advisers seem only to be interested in selling people a package. They are not really talking to people about how they might improve their businesses. A bit of a rethink is required.

**Lewis Macdonald:** Dave Moxham of the STUC made the important point that the quality of the young people coming into the sector is affected not just by training but by the wages and conditions that are offered to them. Not all the witnesses employ people from outside their family, but I would be interested in hearing their views on whether the sector has the balance right.

**Joan Campbell:** It is rather difficult to speak on something that you are not involved in; you always come across as being critical because you are not aware of the problems from the employers' point of view. However, from the customers' point of view, I would say that the sector has not got the balance right at all.

I have listened to youngsters who, at first, wanted to go into the sector. I was in Jim Cowie's restaurant one time, a while after it opened, and he had the most wonderful chap as a waiter. I do not remember his name, but he was fantastic and he made our evening. I thought, "Brilliant. This is great for the tourism sector," but, before we left, he told us that he was going into gamekeeping. It was such a shame. He had already had his mind made up about that before he left college.

**Tony Mercer:** That reflects our wider discussion on Scotland—our country and culture—as a destination. Tourism is incredibly important. If we are to attract people into the industry, we will have to widen the discussion to cover sustainability—not just environmental sustainability but sustainability in its widest sense.

Split shifts are often operated for employees in restaurants and hotels. The leading owners are trying to move away from split shifts, but the vast majority of employers still offer them. Split shifts do not entice people into the industry, because it is very unattractive to have half your day off at the wrong time of day. Split shifts are also not good for

family life. We are talking about real sustainability—about maintaining stable families. One of the bigger employers in Scotland retains working practices such as split shifts. We need to remove such practices. That will lead to the industry becoming more attractive and becoming able to play a full role as part of Scotland's culture. Tourism should not be a superficial add-on; it should not be a veneer.

**David Smythe:** People 1<sup>st</sup> is the sector skills council that covers tourism. It also covers things such as betting shops, so its footprint does not quite match that of tourism, but self-catering is within the footprint. The industry is disappointed because People 1<sup>st</sup> has not done an awful lot since it was formed, about four years ago I think. Certainly, four years ago, we were all saying that the skills passport was a great idea, but only now has it just got going. I think that that is an opportunity lost. There has been quite a change of personnel in People 1<sup>st</sup> in Scotland. The fact is that, if it was doing for tourism what Lantra is doing for land-based industries, it would be in a better position.

**The Convener:** That is quite important. We have already heard a lot of evidence on that matter, and it would be very helpful if you—or any other witnesses—could expand in writing on concerns about how things are working.

**Jim Cowie:** Someone said earlier that people's perception of the hospitality industry is one of long hours and low wages. I want to turn that on its head. In this day and age, only a chosen few have a job in which they are able to turn raw material and supplies such as, in our sector, vegetables, fish and meat into an end product that they give to a customer, who then provides feedback. In most jobs, people probably tend to see only a yard behind them and a yard ahead of them and, once they finish with a product, they neither see it again nor know where it goes. We get tremendous job satisfaction from making these products. We should perhaps make more of the fact that our industry is one of the few in that position.

Every industry and job has its low points—a lawyer, for example, probably works more hours than many a chef—but I believe that we should focus on the positives.

**James Thomson:** The industry has changed dramatically. When I started 35 years ago, it was in the days of apprenticeships and long hours. I now employ 250 staff, who work an average of 42 hours a week. Chefs work three days on, three days off, and do not work split shifts.

Many still have the perception that the industry is Dickensian but, as I have said, its very nature has changed dramatically, particularly in the cities. One major issue is staff retention. It costs a lot to



employ new staff and, if we want to keep them, we have to treat and pay them well.

**The Convener:** I thank the witnesses, particularly those who have travelled some distance, for giving up their time to come before the committee. We greatly appreciate your input, thoughts and ideas and your overview of the industry. As I said to the previous panel, you should feel free to share any other thoughts you might have or comment on areas that have been missed out, in particular the barriers that the industry faces. You can badger one of my colleagues or make a written submission.

12:43

*Meeting continued in private until 13:01.*



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