

CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE

CALL FOR VIEWS ON THE IMPACT OF COVID-19 ON SCOTLAND'S CULTURE AND TOURISM SECTORS

SUBMISSION FROM ASSOCIATION OF SCOTLAND'S SELF-CATERERS

Introduction

Founded in 1978, the Association of Scotland's Self-Caterers (ASSC) is the leading source of knowledge on short-term letting and holiday homes in Scotland. The ASSC is the only trade body representing the interests of the traditional self-catering sector. It has more than 650 Members, operating in excess of 7,000 self-catering properties throughout Scotland, from city centre apartments, to rural cottages, to lodges and chalets, to castles. The ASSC commits its members to maintaining the principles of "quality, integrity, cleanliness, comfort, courtesy and efficiency" and to offering visitors to Scotland consistently high standards within their self-catering properties.

The ASSC welcomes the opportunity to provide evidence to the Culture, Tourism, Europe and External Affairs Committee further to their inquiry on the impact of COVID-19 on Scotland's culture and tourism sectors and appreciates the Committee's focus on this key sector during this difficult time.

In our submission to the Committee, we wish to highlight the challenges faced by many self-catering operators in Scotland in accessing Scottish Government business support grants which are being administered by local authorities. To this end, we have provided details of our recent survey of the views of self-catering operators in Scotland.

Context

- Tourism businesses like self-catering are a key component part of the national economy in this country and have been among the hardest hit sectors due to the impact of COVID-19;
- The traditional self-catering sector in Scotland has provided a warm welcome to domestic and international visitors for decades but is now facing unprecedented challenges due to the current circumstances with COVID-19;
- Scotland's self-catering industry is estimated to boost the Scottish economy by £723m per year so it is imperative that it receives support in order to maintain jobs and livelihoods in the immediate term;
- While the prevailing media narrative tends to focus on the growth of short-term lets in urban areas like Edinburgh, particularly with the emergence of online accommodation platforms, many neglect the distinction between amateur and professional operators, and the fact that self-catering is a vital part of rural economies in Scotland;

- In March 2020, the self-catering industry acted responsibly in temporarily closing self-catering units and suspending normal business, recognising its role in combating COVID-19;
- However, despite doing the right thing and closing their businesses, a large number of self-catering operators have encountered severe problems with the eligibility criteria relating to business support grants, which are being administered by local councils in Scotland, and many are currently missing out on funding available to their counterparts in the rest of the UK.

ASSC Survey Results

The ASSC has conducted a series of Scotland-wide sectoral surveys relating to issues concerning eligibility and access to the various packages of economic support from the Scottish and in response to the COVID-19 pandemic.

The third and most recent survey from 27th April elicited 629 responses from self-caterers in Scotland, from both ASSC members and non-ASSC members alike, in 31/32 of Scotland's local authorities.

The results offer valuable insights into the experiences and problems faced by Scottish self-catering operators in accessing the support required to safeguard their business.

Key findings include:

- 80% of self-caterers are rural or semi-rural and 61% of respondents have operated for over 6 years;
- 67% are pessimistic or very pessimistic about their businesses in light of Covid-19. When asked about their mental health, 5% of respondents are experiencing new symptoms, 28% are experiencing mild anxiety / depression symptoms and 10% are 'not sure what their emotional state is';
- Although there was some small movement in terms of business grant applications being approved by local authorities, self-caterers from across Scotland are still experiencing difficulties in accessing business support grants;
- 187 respondents (or approximately 37% of the total) have had their application for a business support approved by a local authority;
- 248 (49%) have still got applications outstanding;
- 22 respondents (4%) have had their applications rejected, including in the following councils: Dumfries & Galloway, Argyll & Bute, Eilean Siar and Perth;
- It is still not clear on what evidence will be accepted and what will not be. The guidance is being interpreted differently by respondents, local authorities and also accountants. Many do not feel that they will be eligible as they cannot

evidence one third or more of earnings or 140 nights occupancy, but nonetheless it represents a significant part of overall income;

- Respondents felt that they would struggle to evidence occupancy of over 140 nights in the financial year 2019-20, due to unexpected cancellations;
- Reaching 140 nights occupancy appears to be impossible in some rural areas such as Banffshire, Sutherland, in island communities;
- Concerns remain that some local authorities are not processing applications from self-catering accommodation until further guidance has been provided from the Scottish Government.

A full copy of the survey is available at: <https://www.assc.co.uk/wp-content/uploads/2020/04/ASSC-Sectoral-Survey-into-Self-Caterer-Access-to-Covid-19-Business-Support-Week-3.pdf>

Conclusion

While the ASSC appreciates that this is an unprecedented and fast-moving situation, support to ensure self-catering operators are able to sustain themselves in the immediate short-term is of paramount importance.

The ASSC understands that the Scottish Government has a duty to support those with active businesses that have been damaged by the COVID-19 crisis, and does not want to benefit those with second homes or those that are not commercially active. However, the caveats and additional conditionality applied to self-catering are unreasonable, inequitable and damaging to an already fragile sector – especially as we have been responsible and backed the Scottish Government in endorsing the temporary closure of self-catering units.

Previously profitable businesses are facing dire financial circumstances due to the impact of COVID-19. Failure to adequately support our sector will not only impact the accommodation offering for Scotland's tourism industry – which will be an important part of our economic recovery – but may cause irreversible damage to rural communities who depend on tourism.

The ASSC hopes that the Committee finds the information provided to be useful. We are content to supply further written information to the Committee as necessary, or via video conference if oral evidence will be taken from tourism stakeholders.

Fiona Campbell
CEO