



Updated 27<sup>th</sup> October 2020

## **South of Scotland Destination (SSDA) Update for STA Destination Members Forum**

The South of Scotland is not currently recognised as a distinct and discrete destination that resonates in visitors' minds. As a region we do not have a strong market position and while we had seen an uplift in visitor numbers and spend over the past three years, we have been underperforming for a long time. That is why in May this year we formally constituted the South of Scotland Destination Alliance, bringing together Dumfries and Galloway and the Scottish Borders into one single DMMO with the ambition to develop the region into a year-round, first class destination.

Our position on the doorstep of 14 million people across the central belt of Scotland and north England, allowed us to benefit greatly from the staycation boom over the Summer and that gave us an insight into the potential visitor base for the future. But the optimism was short-lived.

- **The ripple effect of the brake period is being felt hard in the South – it's not just the higher restricted areas that are suffering – our main visitor catchment areas are locked down and advised not to travel.**
- **The tourism and hospitality sector is being unfairly singled out as the cause of the spread (without any evidenced based data to back this up) and without substantial support, we are being unfairly punished. 97% of businesses surveyed by SSDA say they have no reported cases.**
- **The new Business Hardship Fund will not get close to covering losses for many businesses and there is confusion on eligibility.**
- **Disparity between Scottish and English rules is causing confusion and puts businesses in the South at a greater disadvantage. 67% of SSDA survey respondents say that being on the border is affecting their business in terms of cancellations / people not travelling / different restrictions.**
- **With two months until Christmas, businesses and their supply chains need to know where they stand now. 54% of respondents have already had cancellations / bookings affected following comments about a Digital Christmas.**

- We await confirmation on how changes to the Job Support Scheme announced on 22<sup>nd</sup> October will work in Scotland.
- Our wedding and event businesses, including those at the gateway to the South, Scotland's wedding capital, Gretna Green, are still paralysed as a result of restrictions for ceremonies, celebrations and live events not being lifted in any recognisable form. Neither have they received suitable compensation for what will amount to at least a year's lost revenue.
- Consideration for our diverse and sometimes remote Rural Businesses needs to be recognised by the Scottish Government - poor and ill-informed decisions are affecting the mental health and wellbeing of business owners, staff and our communities.
- Job insecurity means we're already losing great talent and highly skilled workers - we may never get that back and our future pool of recruits looks bleak as hospitality and tourism risk becoming the least attractive careers to get into.
- The Scottish Government needs to act now to help prevent the scarring of our region in terms of lost tourist product and reduced appeal as a destination.

The past three weeks has seen our region sandwiched between a myriad of hospitality restrictions, curfews and closures to the north and rising Tier levels of alert to the south, essentially reducing our visitor reach and the subsequent loss of confidence in travel has resulted in many cancellations.

Our industry in the South has been operating at a reduced capacity since the Scottish Government announcement on 7<sup>th</sup> October - 67% have been running at less than 50% capacity with most between 1-10% capacity. Only 0.5% have been running at 90-100%. Staff levels required to look after guests is 60% or less than usual. Furthermore, we are losing hope of retaining or attracting new bookings and visitors in the coming weeks and months. Business investment in becoming 'Good to Go' on the understanding that we could be operational into the future is now seemingly wasted investment.

We are in yet another period of limbo and uncertainty as we wait to hear what tiers we are in and what travel restrictions will be in place.

As we look to the end of the year and a vulnerable Winter ahead, we're facing even greater uncertainty with the anticipated 5-tier system being introduced to Scotland at a time when our English neighbours are struggling to understand their own 3-tier system. Visitors don't understand what they can and can't do, where they can and can't go and for those of us working and operating on the border, the disparity in rules, restrictions and messaging is amplified and is having dire economic consequences. 67% of SSDA survey respondents say that being on the border is affecting their business in terms of cancellations / people not travelling / different restrictions.

Feedback from our businesses tells us that guests don't want to stay in hotels or dine in restaurants if they can't relax with a drink, particularly as they can stay or head across the border and enjoy a meal with drinks in England. Many have temporarily closed until 2<sup>nd</sup> November at the earliest, exhausted physically and mentally from navigating the many constant changes over the past few months, and await further clarity before they re-open, if they do. Most hotel and restaurant cancellations for November are because guests can't drink with a meal – if there was a way to allow moderate drinking at the dinner table in a safe, Covid secure environment it would give some hope of rescuing the winter months.

Our industry needs clarity and decisive action now for what the next few months look like – particularly as we all need the business uplift that Christmas traditionally brings. Being able to plan, ensure some business continuity and support our own supply chain at this time is essential. A digital Christmas will not protect vital Winter income that businesses depend on.

Like many of our tourism colleagues across Scotland, businesses in the South face difficult staffing decisions in the coming weeks. With furlough coming to an end the prospect of no visitors and no support means reduced hours, short-term working notices and redundancies because the Extended Job Support Scheme isn't viable for all. Our supply chains – cleaners, laundries, gardeners, food and drink producers, toiletry producers, plumbers, electricians (the list is countless) - are also at risk as business slows significantly. Our weddings and event businesses, including those at Gretna Green, Scotland's wedding capital, are on their knees, still paralysed as a result of the restrictions which have not been lifted in any recognisable form and with very little clarity and assistance as they navigate hundreds and thousands of postponements and cancellations.

Longer term we believe this crisis means we could lose a generation's worth of tourism and hospitality workforce. The current job uncertainty has already seen some of our talent leave local businesses and move into more secure positions in other sectors, placements and apprenticeships are few and far between and the retention of skilled, hard-workers is becoming harder and harder.

SSDA believe now as we did six months ago when we were established and worked in partnership with the South of Scotland Enterprise on a funding package, that we have an opportunity to do something transformative for the rural economy of the South. But without requisite financial support, asset protection and clear, decisive messaging from the Scottish Government through the Winter, our tourism product in the South will be massively scarred, risking and reducing our appeal as a destination.

**David Ibbotson, Chair SSDA**

**Jemma Reid, Project Manager SSDA**

## Results of SSDA Flash Survey undertaken between 23<sup>rd</sup> and 26<sup>th</sup> October 2020

167 businesses responded from across the South of Scotland.

- 97% have had no cases of Covid with (only 4 businesses reported yes)
- 67% have had business affected by being on the border between England and Scotland
- Over 156 businesses, the investment in becoming 'Good to Go' totals £471K, average of £3k per business. 5 businesses have spent over £10K
- Over the last 14 days since the brake restrictions were put in place:
  - 89% have lost substantial revenue totalling approx. £716k for 141 businesses (average of at £6k per business).
  - 67% have been running at less than 50% capacity with most between 1-10% capacity. Only 0.5% have been running at 90-100%
  - 49% working with 60% or less than normal staff
  - Not being able to sell alcohol has led to decrease in revenue of more than 50% for 45% of respondents
- Looking at the Winter months ahead:
  - 87% had been planning to be open but majority now looking at reducing hours, reducing days, but many unlikely to stay open for the winter as planned.
  - 30% are not sure if they will be trading at the end of Winter
  - 54% of businesses have already been impacted by comments about a Digital Christmas
- Events businesses are still suffering – especially those where events are the main activity / income
- 22% of respondents (37 businesses) still haven't received any financial support (most are self employed or are excluded due to rateable value)
- On future staffing:
  - From 42 businesses who responded, redundancies of around 140 are expected
  - 19% of staff are planning a move out of hospitality and a further 30% say they are thinking about it
- Mental Health – 61% of businesses reported mild symptoms and 17% experiencing poor mental health
- Business suggestions on future initiatives and help:
  - Majority responded saying need new funding / cash / financial support to survive
  - Background music and alcohol being allowed
  - Pivotal resilience
  - Clarity on travel restrictions
  - Support for the creative industry needed – they are the ones who tells our stories
  - Stop out / eat out / alternative schemes
  - Better lead times to help planning
  - Continuation of VAT relief
  - Self Employment support
  - Let our restaurants open – core tourism product is the food and drink offering – as a result all tourism is affected