



SCOTTISH
TOURISM
ALLIANCE

Your voice in tourism matters

Scottish Tourism Alliance recommendations to the Independent Advisory Group for Economic Recovery

The Scottish Tourism Alliance is the representative body for Scotland's tourism industry. We have a 70% reach into the sector and for the purposes of this consultation, we have engaged with a range of senior stakeholders and businesses leaders across all sectors in Scottish tourism.

Our recommendations are focused around protecting our industry and stimulating growth to build a strong, sustainable tourism industry which will deliver economic benefits to Scotland's communities whilst offering our visitors an experience they can take home and share with the world.

Tourism matters. It is the lifeblood of many of Scotland's communities. Our industry has the capability and potential to enrich the lives of Scotland's people, our visitors and those who work within our industry.

Tourism is acknowledged as having a significant role in delivering Scotland's wider economic strategy as it cuts across every sector and touches every part of our economy. It can also enrich the lives of those who live here and visit us, and it can protect and preserve our places, with Scotland's tourism industry acting as pioneers for delivering responsible tourism.

With the right strategic interventions, Scotland's tourism industry can realise its 2030 strategic vision – 'We will be the world leaders in 21st century tourism'.

Taxation, Regulation and Investment

Scottish Tourism Bonds

Scottish Government to be given powers to issue and promote bonds that will in turn offer tourism businesses preferential loan interest and grants along with public infrastructure investment which will enable recovery in the sector. This private sector led source of funds can support investment into tourism: infrastructure, business co-financing, environmental improvements, staff training and leadership development, successful migration programmes, Covid-19 safety enhancements and ensuring that Scotland has a quality, competitive tourism product. We can shine more light on sustainability issues by linking them to eligibility for any funding from the Tourism Bond and support businesses demonstrating circular economy principles.

Lending

A means of supporting and 'greening' the industry'. SNIB providing loans at affordable rates to businesses who demonstrate green and fair work credentials, and to support businesses demonstrating circular economy principles.

VAT

Reduce VAT on tourism services by at least 50%, to stimulate economic movement and growth, recognising that household incomes will be challenged, costs are likely to rise and keeping headline price points lower will be even more essential to remain competitive; having a lower VAT % will go some way helping tourism providers achieve this. Reducing VAT will also bring us into line with many of our international competitors who have done similar in recent weeks. (Germany down to 7% Greece down to 13% Ireland down to 9% tbc).

Tapering the Business VAT Threshold to incentive small businesses, especially those in rural areas to trade longer i.e. not close the doors for the season once they have turned over £85,000. We would recommend the VAT % be increased gradually in a tapered approach e.g. 7.5%, to 125k, 15% to 150k thereafter at 20%. This would potentially generate more income for the Scottish Government and create more opportunity for off season availability and employment.

Air Passenger Duty

Removal or lowering of APD (domestic and international travel – business and leisure), sending a clear message to airlines that Scotland is open for business and creating better chances to capture flight routes for the longer term. Nearby competitor destinations (Ireland) have proven significant growth in international traffic by doing this.

On any APD charged, a commitment to reinvestment in decarbonisation.

Business Rates

Continued waiver of business rates for another year (until end of 2022) and thereafter consider a model of an agreed fair percentage net profit be paid in arrears for the following three years to allow business to recover sustainably whilst determining a more equitable model.

Selling Scotland and Managing Our Destinations

Improve the way we are structured to sell and manage Scotland destinations at a national, regional and local level so that it is robust and sustainable. International and domestic tourism will be even more competitive than before. Scotland needs an efficiently resourced and highly focused national tourism organisation to lead the change, coordinate and resource (but not control) destination activity.

We recommend a fundamental review of our Destination Management Organisation (DMOs) structure and of VisitScotland (VS) in its current form. The primary aim to establish whether VS is better placed to be a solely dedicated public sector owned marketing agency or a fully integrated national tourism organisation which oversees tourism policy ranging from marketing, skills, product development, planning for sustainable supply linked to demand and sustainable/viable business performance, or potentially become a public private sector partnership organisation that can also generate commercial income for re-investment and be responsible for all aspects of marketing, promotion and event management of tourism, skills training, and supporting business in product development. In all cases to drive the future national, regional and local marketing needs it will be essential that there is an upweighted budget made to drive sales growth that will help stimulate active recovery, grow new markets in what will be an even more competitive landscape.

Transport, Connectivity and Infrastructure

A Scottish Transport Hub – The Scotland App

A fundamental collaborative project across all types of transport operator to provide a single point of entry (platform/portal) for one stop procurement (smart ticketing) of tickets to allow ease of purchase, with a more joined-up infrastructure making it easier for residents and visitors to move seamlessly around the country, explore, experience and spend more. (data will feed into the Data Hub – see below – can garner real time information on incoming visitors/guests)

Green travel

Scotland's Electric Car Club Rental Scheme, set up as a public/private partnership, making Scotland more affordable and accessible for domestic and international tourism to travel about Scotland especially given likelihood of lower take up of public transport due to COVID and capacity limitations. Expand the infrastructure to allow continued roll out of electric charging points. Accelerate Scotland's active travel network, interlinking our urban and rural communities through investment in the national cycle network, walking routes, city exploration and canals.

Prioritise Air Routes

Decide as a country which Scottish routes are of strategic importance and incentivise airlines to fly them. Do not turn this into a grand aviation strategy that takes three years to think about – just get on with it and prioritise the routes that we know we need for economic regeneration and growth with emphasis both on Business and Leisure Tourism.

Investment in the expansion of the SEC conference facilities

Supporting the growth ambition of one of the most significant and globally renowned Scottish tourism assets. The total project cost of £180m would be spread over seven years - studies show it would generate substantial GVA and tax revenues for Scotland and the UK, supporting thousands of jobs across the UK, with 1364 of these in Glasgow. Long-term infrastructural investment will have a key role to play in Scotland's economic recovery; this investment will bring the SEC ahead of global competition; this project has the power to be a gear changer for Scotland given the wider economic impact.

Data and technology

Big data partnership to create a national data hub

Creation of a National Tourism Data Hub with an accessible portal where information from across industry, Online Travel Agencies, travel companies, convention bureaus and all sectors to give real time data and insights that industry and Destination Management Organisations (DMOs) can access to inform planning and visitor offers. Free to industry.

Scotpay – Scotland's national reward scheme

What if we were to create (white label) our own tourism payment network that allowed you to tip the local community automatically, that delivered real time information on tourism spending, that almost allowed for the creation of a literal tourist pound? Like Tesco Clubcard, but for Scotland. – Money to be reinvested in our heritage and our communities. We all use card machines, and a lot of us now have gravitated away from bigger players like Worldpay to PayPal and others. because it's very easy to switch, but we still pay them their 2% though. 2% of the entire Scottish tourism economy. What if we were to keep that 2% for tourism? (data will feed into the Data Hub)

A national platform for local sourcing procurement –a three-way win

Building on the recently launched Scotland Food & Drink Hub to optimise its potential

1. For the producer, to provide greater opportunity to drive increased sales and help counter any potential loss of export.
2. For the customer, to provide an even greater choice of local produce in our hotels, restaurants, pubs, cafes, improving the overall quality of the "Food Tourism" experience. Research says customers are happy to pay more for local too.
- 3 For business, to afford a tax incentive offer based on the total amount of £'s spent on procuring local. The greater the spend the bigger the year end % of tax relief.

Acceleration of broadband/5G

Improved 3G/4G/5G/broadband connectivity across the country, and in particular in rural areas; this levels the playing field for businesses in rural communities, allowing them to ensure that they are visible and bookable online; and permits businesses and visitors to connect directly with one another, building relationships and authentic experiences which are rooted in the community. Also addresses the requirement for virtual meetings, events and home working in our new Covid/post-Covid world.

Leadership, people and skills

Scotland Employee Retention Scheme- Emerging Talent Development Fund

Upskilling and protecting the current emerging talent workforce. This Scotland scheme would go beyond the current timeframe of UK Furlough. A government fund that employers can access to support the ongoing development of rising stars who are on furlough in their employment but risk contract being terminated, or hours being significantly reduced due to pace of recovery. The fund will support the employee by way of a payment whilst on reduced hours and undertaking any leadership training, skills development, mentoring and volunteering activity during this time.

A Curriculum for Tourism

Change the school curriculum. Weave Scotland into it at every opportunity. Build pride in our nation and visibility of tourism at the youngest possible age. Educate children as to what makes our country so unique and special. Make it local, make it inspiring. If we want a future workforce, we need to captivate these kids. Already nearly 1 in 10 of them will end up in tourism. But we want that to be the top 10%, the people who in future will drive innovation and product development in an industry that spans everything from the Arts to Science. We need to smooth the path into tourism and create the advocates for our country we will need in the future. If tourism is everyone's business, it should also be part of their upbringing and education.

Refreshed Further Education/Higher Education

Generate refreshed FE/HE content incorporating leadership, the wider skills needed for the sector and meta skills. How can courses be reframed to ensure maximum meta skills development/digital skills and building on the ambitions of Industry 4.0? Requirement for a shift in quotas given likely decline on international students as this will be key to driving local/domestic interest up and generate a wider, better skilled workforce for the sector from within Scotland - harnessing the power of emerging talent, driving leadership and the right skills for tourism from within Scotland. Likely to have a bigger impact than changing the curriculum alone. Could government provide a bursary scheme to help those who might have financial difficulty to access education?

Sustainability

Sustainability of our assets

Protecting our Natural and Built capital – Post evaluation of our assets to establish what our tourism landscape looks like apply public and private targeted investment to regenerate, reactivate or build new tourism product where there has been asset failure leaving communities vulnerable and at risk of socioeconomic hardship. The gaps to fill would be determined by a technology and data driven mapping solution. Taking this Place making approach will in turn create shared value from tourism in communities, fostering community engagement and benefit through fair pay and equality, affordable local housing, community owned enterprise and through work with third sector organisations.