

BRIEFING FOR THE FIRST MINISTER

MEETING WITH THE SCOTTISH TOURISM ALLIANCE

11 November 2020

Key message	The Tourism Sector has been devastated by the impact of COVID-19. Ministers continue to listen to concerns from businesses as we explore how to continue to help during this unprecedented economic crisis.
What	Telephone meeting with the Scottish Tourism Alliance.
Why	The STA has written to the First Minister, requesting her support for the sector's recovery.
Who	Marc Crothall, Chief Executive, Scottish Tourism Alliance (STA) Mhairi Clarke, Scottish Tourism Alliance Comms Manager Stephen Leckie, Chair, Scottish Tourism Alliance and owner of Crieff Hydro Hotels Group. Fiona Campbell, CEO, Assoc of Scotland's Self-Caterers (ASSC)
Where	Telephone meeting.
When	Wednesday 11th November, 15:30 -16:00
Likely themes	Continued support for Scotland's tourism sector as we move towards a safe and strong recovery.
Media	Private meeting.
Supporting official	[REDACTED – section 38 (1)(b) personal data]
Attached documents	Annex A - Agenda and summary Annex B – Short Term Lets Consultation Annex C – Tourism – support for the sector Annex D – Hospitality Core Brief Annex E – Public Health Checks at the Border Annex F – STA letter of 28 th October to First Minister

Agenda

1) Short Term Lets: Consultation on a licensing scheme and planning control areas in Scotland

2) The immediate six priority actions and asks of the Scottish Government as outlined in the Tourism Task Force Report.

Some of the below actions are already under discussion, however STA would look for a firmer commitment on the first and second actions.

- Work with the sector on planning appropriate evidence-based restrictions and proportionate, fair financial compensation arrangements if further lock downs are required.
- Provide additional targeted grant support and advice to tourism and hospitality business who have either not been able to trade at all or sufficiently well enough to generate enough revenue to see them through the coming 6-9 months of off season.
- Provide support to improve workplace safety and a skills development package to retain talent and develop leadership skills.
- Extend Business Rates Holiday for another year targeted at sectors and regions most impacted.
- Fund marketing support to boost visitor demand and increase visitor confidence at the right time.
- Progress alternative options for robust Testing Regimes – to facilitate and drive international travel.
- Support a request to UK Government for temporary removal of Air Passenger Duty to boost route competitiveness if this can be aligned with longer term Scottish Government Climate Change ambitions.

Summary

This meeting has been arranged following the letter of 28th October (annex E) from the Scottish Tourism Alliance.

The Scottish Tourism Alliance has engaged regularly with Mr Ewing throughout the period of the crisis on a range of business support issues, including addressing funding gaps, extending the Furlough Scheme and the route map to recovery. There has been positive results in enhancing support for the sector, including additional funding for multiple self-catering properties and B&Bs and the creation of the Tourism and Hospitality Hardship Fund. STA has also been instrumental in supporting Mr Ewing's Tourism Recovery Taskforce.

We have already confirmed to the STA that we will continue to press the UK Government on issues such as VAT reduction and additional financial measures to support an extended recovery. Mr Ewing has already written to the UKG enclosing a copy of the Taskforce report and suggesting a UK-wide Government and industry summit to build the case for increased support for tourism.

The STA understand that the application of the Tiers in the Strategic Framework remains predicated on science and health advice but argue strongly for an evidence based approach for moving through the tiers and for enhanced support for businesses to ensure they survive throughout the periods of closure or vastly reduced income.

In particular, STA are keen to explore whether the additional £1bn provided by the UKG will allow for greater support for the tourism sector, specifically:

- Increasing the scale of the £14m Hotel Support fund launched in September and being run by the Enterprise Agencies
- Supporting Inbound Tour Operators whose international market has disappeared (they have developed a £15m proposal)
- Supporting and protecting Emerging Talent in the sector
- Making larger fixed grants available to those in sector who remain closed or have been forced to close and those who have fallen through gap

We continue to explore further financial support measures, both within SG and with the UK Government following the publication of the Tourism Recovery Taskforce report and recommendations. This is scheduled to be discussed at Cabinet on 1st December.

Expected and desired outcomes

We would hope that this meeting would give reassurance that we will continue to work with a support the tourism and hospitality sector and to ensure that the UK Government does the same.

Sensitivities

The STA have stated that it is the widespread view of many of the STA member organisations and business groups that the Short Term Lets consultation should be halted in light of the significant burden and pressure already being experienced by the tourism sector.

SHORT-TERM LETS LEGISLATION PROPOSALS

Top lines

- On Monday 14 September 2020, we published a consultation paper setting out detailed proposals for the regulation of short-term lets in Scotland.
- The consultation [which ran until 16 October and garnered 1085 responses] sought final views on new legislation giving local authorities powers to license short-term lets and introduce control areas before regulations are laid in Parliament in December which will come into force by April 2021.
- Our proposals will allow local authorities and communities facing the most severe pressures to take action to manage those more effectively.
- The proposals will not unduly curtail the many benefits of short-term lets to hosts, visitors and the Scottish economy.
- We acknowledge the challenges currently facing the sector caused by the pandemic, including the restrictions on household gatherings and travel.
- We continue to listen and to do all we can to support tourism and hospitality
- The regulation of short-term lets will be implemented in a way that helps with long-term recovery by promoting our commitment to sustainable, responsible tourism.
- We will monitor and evaluate the impact of our proposals to ensure that they are effective and targeted.
- We are willing to bring a Bill to Parliament in the next session if we continue to see issues. But to do so now would result in unnecessary delay.

KEY SENSITIVITIES AND RECENT CONCERNS RAISED BY STAKEHOLDERS

Concerns raised by Regulatory review group

- Professor Russell Griggs, Chair of the Scottish Government Regulatory Review Group expressed concerns re the STL legislative proposals in a letter addressed to the Minister for Local Government, Housing and Planning and copied to Ms Hyslop, Mr Ewing and Ms Forbes on 30 October. Concerns raised include:
 - The absence of a partial BRIA to accompany the consultation and suggestion that evidence to date has been 'anecdotal', not giving a true sense of the scale and nature of the problem with STLs.
 - That the sector (ASSC's proposal) to create a registration scheme in partnership with the industry has not been fully examined.
 - Implementation of the licensing scheme would place an unnecessary burden on local authorities and give local autonomy would result in an inconsistent picture.
 - Timing of the proposal - the tourism and hospitality sector is facing hardship – it is suggested that the legislation should be paused to reduce pressure on the sector and local authorities.

Scottish Tourism Alliance and ASSC

- The STA have stated that it is the widespread view of many of the STA member organisations and business groups that this consultation should be halted in light of the significant burden and pressure already being experienced by the sector
- The ASSC sent a letter to the Minister for Local Government Housing and copied to Mr Ewing on 26 October formally requesting an immediate pause to work on the regulations to allow recovery from Covid-19 and allow time for greater scrutiny. This garnered support from 37 co-signatories including Airbnb, the Association of Scottish Visitor Attractions, STA, Scottish Chambers of Commerce, Visit Arran, VisitAberdeenshire and Visit Inverness.

The STL advisory group is currently drafting a response to the RRG and ASSC letters but the Q&A set out below provides the key answers to each of the points raised.

Urban and Rural Residents Views

- During our recent consultation we engaged with a wide variety of stakeholders, including platforms and operators, as well as urban and rural residents.
- Urban residents raised concerns about noise and anti-social behaviour, as well as the impact of short-term lets on the availability and cost of housing. This echoed our 2019 consultation and research.
- We have also received a significant amount of correspondence during the pandemic from residents in properties with shared facilities, raising concern about frequent turnover of guests and lack of cleaning in shared spaces, such as tenement stairwells.
- Rural residents also highlighted concerns which included noise from larger 'party' properties, as well as concerns about short-term lets removing housing from the local stock. They noted that COVID-19 had exacerbated pressures on local housing stock, with increased demand for properties in rural and island areas from those looking to relocate from urban areas.
- Residents we engaged with stressed that they wanted our proposals for regulating short-term lets to be taken forward without delay.

WIDER BACKGROUND

Impact on communities - independent research

- A report on research on '*The impact of short-term lets on communities across Scotland*' was published on the Scottish Government website on 28 October 2019.
- The Scottish Government commissioned this research to explore the positive and negative impacts of short-term lets on communities, with a focus on neighbourhoods and housing. It involved short-term let hosts, residents, local businesses and community actors across five locations in Scotland.
 - Edinburgh City Centre, Glasgow City Centre, East Neuk of Fife, Skye, and Fort William
- In May 2019, across Scotland as a whole there were 31,884 active Airbnb listings (based on secondary analysis of Airbnb listings).
- **STLs increased three-fold between April 2016 and May 2019** from just under 10,500 Airbnb listings in Scotland, to approximately 32,000.

- A number of positive impacts of short-term lets on communities were identified, including local economic benefits associated with tourism and increased household income for hosts.
- However, the research also confirmed that negative impacts on communities' quality of life, reduced availability of residential housing and increased strain on local public services were among the key negative impacts.

The global pandemic and recovery of tourism in Scotland

- Regulation of short-term lets is part of ensuring a responsible and sustainable approach to tourism, which better balances the benefits of tourism with wider community needs and concerns.
- The COVID-19 pandemic has exacerbated existing tensions between short-term lets and local residents in some areas.
- Our proposals for regulating short-term lets are an opportunity to address long-standing concerns and provide reassurance to visitors, hosts, neighbours and local residents on safety issues.
- We understand the pressures facing the tourism industry as it recovers from COVID-19 restrictions. That is why we have been supporting the tourism and hospitality sector through the pandemic in every way possible, given the limits of devolved power.
- We want to implement these regulations in a way that helps with recovery.
- Our proposals will give local authorities the powers they need to balance community needs and concerns with wider economic and tourism interests.

Airbnb warns Scottish rentals law could cost jobs and that our proposals amount to "one of the most regressive short-term lets regulatory regimes in the world"

- The measures that we announced in January followed careful consideration of responses to our 2019 consultation, and the evidence provided by independent research.
- We set out detailed proposals for secondary legislation in our second consultation paper and we engaged with a wide range of stakeholders on this.
- Our stakeholder engagement included meetings with Airbnb and other platforms, as well as with local authorities, other organisations (including the STA and ASSC) and affected residents, to hear their issues and concerns.
- We are using the powers that we have to make progress in this Parliament to address a pressing issue for some of our communities, but they will not unduly curtail the many benefits of short-term lets to hosts, visitors and the Scottish economy.
- At the heart of our licensing scheme is a set of mandatory standards which will help to protect the safety of guests and neighbours in short-term lets across Scotland.
- Many hosts will already be following these standards as a matter of compliance with existing law or best practice. We do not consider them to be onerous.
- The COVID-19 pandemic has highlighted the importance of safety to visitors and communities.
- It is right we are taking action now to ensure that all short-term lets across Scotland adhere to a common set of safety standards.
- We believe our proposals are right for Scottish circumstances.
- We are committed to monitoring and evaluating the impact of our proposals to ensure that they are effective and targeted.

Q&A:

Q (BRIA): Why did you not publish a partial business regulatory impact assessment to accompany your plans to introduce short-term let licensing and planning control, in accordance with its Better Regulation principles.

A: A Business and Regulatory Impact Assessment (BRIA) will be completed for the short-term lets licensing order and control area regulations. This will be published when the statutory instruments are laid at the Scottish Parliament. The consultation paper *Short Term Lets - Consultation on a licensing scheme and planning control areas in Scotland* sets out the Scottish Government's proposals in detail and the stakeholder engagement and consultation responses will help inform the BRIA.

Q (Secondary legislation): Why are you not introducing a Bill, so that the proposals can be properly scrutinised?

A: We are using the powers that we have in the Civic Government (Scotland) Act 1982 and the Planning (Scotland) Act 2019 to put in place a regulatory framework during this Parliament. Our proposals will allow local authorities and communities facing the most severe pressures to take action to manage those more effectively. The proposals will not unduly curtail the many benefits of short-term lets to hosts, visitors and the Scottish economy. We will monitor and evaluate the impact of our proposals to ensure that they are effective and targeted. We are willing to bring a Bill to Parliament in the next session if we continue to see issues. But to do so now would result in unnecessary delay.

Q: Why was the consultation only open for four weeks?

A:The Scottish Government has been working on proposals for the regulation of short-term lets since 2018. We first consulted in summer 2019 for twelve weeks, and published the results of both that consultation exercise and the independent research we commissioned in October 2019. We announced our proposals for a licensing scheme, planning control areas and a review of taxation in January 2020. Unfortunately, work on implementing these proposals had to be suspended from March to July 2020 to deal with the worst of the COVID-19 pandemic. We had originally planned for a longer period of engagement on our proposals in autumn 2020 but the timetable has had to be compressed in order to ensure that the secondary legislation could still be laid at the Scottish Parliament in this session.

We set out detailed proposals for secondary legislation in our second consultation paper and, despite the restrictions imposed by COVID-19, officials were able to hold effective virtual workshops with stakeholders representing all interests. These workshops flushed out useful points for consideration and we received over 1,000 consultation responses on-line by the closing date [16 October].

We have to balance the need to have as fulsome consideration of the proposals as possible against the need to make progress, all in the context of a pandemic. On balance, we are not convinced that extra time was merited to consider the proposals further. We want to use the powers that we have to make progress in this Parliament to address this issue.

Q: Why does the consultation paper make no mention of COVID-19 and the impact of the pandemic?

A: The Scottish Government has been supporting the tourism and hospitality sector through the pandemic in every way possible, given the limits of devolved power. We are planning for a recovery of the tourism sector. Regulation of short-term lets is part of ensuring a responsible and sustainable approach to tourism, which better balances the benefits of tourism with wider community needs and concerns. This regulation is important irrespective of COVID-19, which is why the detailed proposals make no reference to it. We have been engaging with a wide range of tourism and other stakeholders on our detailed proposals so that we can ensure they are robust but proportionate and fair.

Q: Why has the Scottish Government decided to resume work on the short-term let regulations when other pieces of work have not been attached the same priority?

A: COVID-19 has exacerbated and heightened existing tensions around short-term lets in certain areas. At the heart of our licensing scheme is a set of mandatory standards which will help to protect the safety of guests and neighbours in short-term lets across Scotland. Therefore, it is right that we are taking action in this session to move forward with these safety standards and address what is a pressing issue for some local communities.

Subject to the approval of the Scottish Parliament, the licensing scheme and control area regulations will be in force by April 2021. However, local authorities will have until April 2022 to establish a licensing scheme in their area and open it to receive applications. We are not placing additional requirements on hosts in the midst of the COVID-19 pandemic. In due course, hosts will need to make an application for a licence to their local authority. However, existing hosts will be able to continue operating whilst their licence application is processed.

Q: Isn't this largely an Edinburgh issue rather than a Scotland wide problem?

A: The principal component of our licensing scheme is a set of mandatory safety standards across Scotland for all short-term lets. Safety matters - whether someone is sharing their own home or letting a portfolio of properties, in rural Skye or in central Edinburgh. Visitors should be confident that every short-term let in Scotland complies with basic safety requirements. Local authorities will also have discretionary powers to add licence conditions to address local needs and concerns.

Our proposals are grounded on what businesses, people and communities have told us and is tailored to Scottish circumstances. Our regulatory framework gives local authorities the ability to determine how best to strike the right balance in their area.

TOURISM – SUPPORT FOR THE SECTOR

Additional Funding from UKG

- While this additional tranche of funding is very welcome, there remains significant risks and we need to carefully consider the potential for significant additional demand-led costs arising over the next 5 months.
- This includes funding for further economic recovery work, additional local lockdown support, or towards the health impacts of the second wave of COVID-19, as well as additional vaccination and test and trace costs.
- On top of this we need to consider the costs of EU transition, which remain under development and are directly linked to the outcome of negotiations between the UKG and the EU, and are thus subject to fluctuation.
- While HMT have indicated that the further funding covers a number of areas including Health, transport and business support, we are also awaiting further detail on what the proportional split is and will be in a better position to evaluate new spend once we have that detail.
- We are not assuming any further funding will come from HMT this year, and therefore we need to make the most effective use of the resources we have received whilst managing significant uncertainty.
- We also want to consider how public spending can support not just very immediate pressures but make the economy more sustainable in the slightly longer term.

Tourism Recovery Taskforce

- Recommendations published on 23 October will be considered to enable us to bolster recovery.
- The taskforce looked at priority rescue measures the SG and UKG can take to enable recovery.
- The group's recommendations include:
 - working closely with the sector on necessary planning, advice and adequate compensation packages if evidence based restrictions are required
 - facilitating international travel by progressing alternative options for testing
 - developing short term measures, including marketing support and sectoral advice via VisitScotland to boost demand and increase visitor confidence
 - extending Business Rates Holiday for specific affected sectors and regions by another year
 - creation of a skills development package to retain talent and enhance staff leadership skills
- The report aligns with our ambitions in the new tourism strategy Scotland Outlook 2030 and highlights key themes regarding sustainable business, the importance of our people and communities and green tourism.
- Cabinet will be giving full consideration to the report and recommendations of the Taskforce on 1st December.

SG Support to Date

- Ministers continue to listen to concerns from businesses as we explore how to continue to help during this unprecedented economic crisis.
- Our total package of support now totals over £2.3 billion plus an additional £48m in business support funds which will be administered by Local Authorities, providing one-off grants to businesses directly impacted by the restrictions implemented on 9 October 2020 – further detail below impacting on ASVA.
- This includes almost £900 million of non-domestic rates relief a £1.3 billion business grants scheme and a £145 million package of targeted support for SMEs and the self-employed.
- We also introduced
 - our £30 million Creative, Tourism & Hospitality Enterprises Hardship Fund to support those businesses not in receipt of other grant funding.
 - a fund of up to £3 million to support those B&Bs with no business bank account.
 - A £14 million Hotel Recovery Programme to help to secure up to 3,000 jobs at Scotland's larger hotels until the start of the summer 2021 tourism season, providing eligible businesses with grants of up to £250,000 in addition to a suite of wrap-around business support and advice.
 - £1.5 million in grants to self-catering businesses that have not received any other Scottish Government COVID-19 support. 150 businesses have received a grant of £10k
- We have also supported the events industry, which we know will face difficulties for some time to come, with additional funding of £10 million.
- We are working hard with industry to identify further action to be taken, with the Tourism Taskforce central to this process.
- Job creation is at the heart of our new Programme for Government and the Scottish Government is doing everything in its power to support the tourism industry, however without significant borrowing powers at our disposal this action will always be limited.
- While we welcome measures taken by the UK Government, such as accepting our call to cut VAT rates for the tourism industry, longer-term support for jobs is necessary. Throughout this crisis, the Scottish Government has repeatedly called for the UK Government to do more to protect business, in Scotland and in the UK, including the need for targeted support for the sectors most deeply impacted by the crisis: including oil and gas, tourism and hospitality, culture, events, and hospitality.

Since the beginning of the pandemic we have committed £107 million support to the culture, creative and heritage sectors.

- £97m of this comes from consequential from the UK Government.
- To date, we have announced £97.97m of this support:
 - £12.5 million for Performing Arts Events Venues Relief Fund (03/07)
 - £2.2 million for Grassroots Music Venues (10/07)
 - £4 million for Museums Recovery and Resilience Fund (25/07)
 - £10 million for the Events sector (26/07)
 - £3.8 million for National Trust for Scotland to protect jobs (16/08)

- £15 million for a Culture Organisations and Venues Recovery Fund (28/08)
 - £5 million to address hardship faced by creative freelancers (28/08)
 - £5 million to support artists developing new creative work that will make a significant contribution to Scotland's recovery from Covid-19 (28/08)
 - £3.5 million for independent cinemas (28/08)
 - £3 million of youth arts, including the Youth Music Initiative (28/08)
 - £21.3 million for Historic Environment Scotland (28/08)
 - £5.9 million to support heritage organisations through committed grants (28/08)
 - £270,000 for the New Lanark Trust (28/08)
 - £4 million for historic environment recovery (17/09)
 - £1 million for Scotland's Science Centres (17/09)
 - £1.5 million for flagship cultural venues (V&A Dundee, Capital Theatres) (25/10)
- We understand the scale of the challenges faced by the culture, heritage and creative industries sector in Scotland.
 - The Scottish Government believes culture, heritage and creativity are essential to our wellbeing and recognises the importance of individuals and organisations working in these sectors.
 - We are working hard to support those who make this hugely important contribution to our society as they navigate these difficult times.
 - We are working closely with partners, agencies and stakeholders to monitor the ongoing impact of the pandemic and ensure that consistent, high-quality information is easily available.
 - We are determined to do all we can to help these sectors recover in a resilient way so that they can continue to make such vibrant and rich contributions to Scotland.

Restrictions – 9 October to 02 November

- One-off **Closure grants** of up to £4,310 for hospitality and other businesses in the central belt **required to close by the regulations that came into force on 9 October** with their rateable value determining entitlement to a higher or lower award.
- One-off **Hardship grants** of up to £2155 for businesses that aren't required to close by the regulations - such as pubs and restaurants out with the central belt, and some businesses in the hospitality supply chain. Awards are at the discretion of local authorities across the country as a whole.
- Applications for the **Closure and Hardship Funds** went live on Local authority websites on Tuesday 20 October and closed on Tuesday 3 November.

Business support under Strategic Framework (02 November onwards)

- Grants of £2,000 or £3,000 (depending on rateable value) will be available for businesses required to close by law.
- A hardship grant of £1,400 or £2,100 (depending on rateable value) will be available for businesses that remain open but are directly impacted by restrictions.
- These grants will be provided regardless of level, to any eligible business, and paid in fortnightly instalments (subject to agreement with local authorities).
- We have been undertaking a short period of detailed engagement with our local authority partners, stakeholders, business and trade unions, enforcement and wider civic society.

- Though it is unlikely we will be able to accommodate every request while still suppressing the virus, we are listening to and carefully considering the representations made to us on the content of the levels.
- We will keep the detail of each level under review as the situation develops.

Job Retention Scheme - update

- Extension is UK wide.
- Businesses will have flexibility to bring furloughed employees back to work on a part time basis or furlough them full-time, and will only be asked to cover National Insurance and employer pension contributions which, for the average claim, accounts for just 5% of total employment costs.
- The Job Support Scheme, which was scheduled to come in on Sunday 1st November, has been postponed until the furlough scheme ends.
- To be eligible to be claimed for under this extension, employees must be on an employer's PAYE payroll by 23:59 30th October 2020. This means a Real Time Information (RTI) submission notifying payment for that employee to HMRC must have been made on or before 30th October 2020.

HOSPITALITY CORE BRIEF

Top lines

- Scottish Government fully understands the challenges facing the sector as we look to balance suppression of the virus and protecting lives with keeping hospitality businesses open and trading viably.
- We will continue to build upon the constructive dialogue we have had with industry and listen carefully to their concerns as we move into the new levels framework.
- The measures are designed to help those areas in higher levels move towards lower levels – that is why it is necessary to restrict the aspects of hospitality where risks may be higher

The restrictions

At Level 0, hospitality is nearly normal

- There are no curfews in place, or limits on serving alcohol.
- General rules on all businesses apply, requiring them to take steps to manage transmission of the disease: for example, by limiting numbers and by ensuring physical distancing on the premises.
- Hospitality businesses are required to implement table service: meaning taking orders when customers are seated where practicable, and customers only eating and drinking when seated.
- Hospitality business are required by law to collect and, when required, share customer information for the purposes of test and protect.

At Level 1, hospitality is nearly normal, with a late curfew

- A curfew is in place: hospitality businesses must admit their last customers at 9.30 pm, and close at 10.30 pm.
- General rules on all businesses apply, requiring them to take steps to manage transmission of the disease: for example, by limiting numbers and by ensuring physical distancing on the premises.
- Hospitality businesses are required to implement table service: meaning taking orders when customers are seated where practicable, and customers only eating and drinking when seated.
- Hospitality business are required by law to collect and, when required, share customer information for the purposes of test and protect.

At Level 2, wet pubs are closed, and the night-time trade is restricted

- A curfew is in place: hospitality businesses must admit their last customers **for outdoors** at 9.30 pm, and close at 10.30 pm; hospitality businesses must admit their last customers **for indoors** at 6.00 pm, and close at 7.00pm.
- Alcohol may only be served with a main meal. This means a meal “such as might be expected to be served as the main midday or main evening meal (irrespective of the actual time of service), or as a main course at either such meal.”
- This definition is familiar to licensing lawyers and was discussed with the trade before being included in the new Regulations.

- General rules on all businesses apply, requiring them to take steps to manage transmission of the disease: for example, by limiting numbers and by ensuring physical distancing on the premises.
- Hospitality businesses are required to implement table service: meaning taking orders when customers are seated where practicable, and customers only eating and drinking when seated.
- Hospitality business are required by law to collect and, when required, share customer information for the purposes of test and protect.

At Level 3, wet pubs are closed, and only day-time service of food and non-alcoholic drinks is allowed

- No alcohol may be sold by a hospitality business.
- A curfew is in place: hospitality businesses must admit their last customers at 5.00 pm, and close at 6.00 pm.
- General rules on all businesses apply, requiring them to take steps to manage transmission of the disease: for example, by limiting numbers and by ensuring physical distancing on the premises.
- Hospitality businesses are required to implement table service: meaning taking orders when customers are seated where practicable, and customers only eating and drinking when seated.
- Hospitality business are required by law to collect and, when required, share customer information for the purposes of test and protect.

At Level 4, hospitality is closed

- All restaurants, cafes, pubs and bars must close for sales for consumption on the premises.

At Levels 2 and 3, wet pubs are closed by law

- At Levels 2 and 3 most wet pubs would be unviable to run, since they are not able to offer a main meal service.
- Under the UK Government's proposed Job Support Schemes, businesses closed by law were entitled to access a higher level of support (JSS-C, rather than JSS-O).
- In consultation with industry, we therefore decided to close wet pubs by law in Levels 2 and 3, to enable them to access the most appropriate level of support.
- The UK Government has now decided to extend furlough (and defer the implementation of JSS-C and JSS-O).

A range of exceptions apply

- All businesses can sell food and drink for consumption off the premises.
- Hotels can continue to serve meals to residents until 2200 in Levels 1 to 3, and can serve food and alcohol to residents by room service at any time.
- Certain premises and types of service are exempted from the curfew (though not from alcohol bans): for example, hospitals, care homes, schools, student accommodation, prison, defence bases, homeless services, premises airside at an airport, and on ferries.
- At Levels 2 and 3, wedding receptions and wakes can continue in hospitality settings until 2200, though limits on numbers apply. At level 4, only wakes may be held in hospitality settings.

We must restrict the sale of alcohol to help reduce transmission rates

- We know that the consumption of alcohol can influence behaviours, and impact on transmission rates.
- Restricting its sale can help us to interrupt the growth of those transmission rates.
- The new levels framework gives flexibility for hospitality businesses to operate during different levels of restrictions.
- At level 2 of the framework - from 2 November – the hospitality premises may sell alcohol indoors with a main meal.
- At level three of the framework – also from 2 November - the definition of cafes will be removed. This will enable all hospitality premises to operate in daytime – up to 6pm – without the sale of alcohol.
- These expansions of the hospitality provisions will be kept under review.
- Ongoing financial support is set out in the framework and will be available to businesses that are required to close or remain open but affected by restrictions.
- We are confident that all measures are needed to control the transmission of the virus and save lives, and we are satisfied that they are proportionate and based on the latest evidence.
- It is important for everyone to understand that where alcohol is permitted with a main meal in level 2, the service of alcohol is as an accompaniment and secondary to the main meal and cannot become the primary activity.
- Guidance has been published to help operators understand the rule clearly and to implement it in their premises.

Business support

As outlined in the Strategic Framework, from 2 November onwards, grants of £2,000 or £3,000 (depending on rateable value) will be available for businesses required to close by law.

- A hardship grant of £1,400 or £2,100 (depending on rateable value) will also be available for businesses that remain open but are directly impacted by restrictions.
- These grants will be provided regardless of level, to any eligible business, and will cover every 4 weeks of restrictions.
- Local authorities will administer these grants.
- Applications for these grants open on 5 November.
- Further information and application forms will be available on your local authority website. Details will also be on the Scottish Government website.
- If the Scottish Government is to meet the on-going challenges of COVID-19 as well as support economic recovery, the UK Government must give the Scottish Government either the additional funding or powers needed to respond.
- Key economic levers on tax and borrowing lie with the UK Government and our ability to respond is hampered by centralised UK budgeting approach.
- Throughout this crisis, this Government has repeatedly called for the UK Government to do more to protect business both in Scotland and in the UK.

We are working hard to ensure that all businesses required to close or which are impacted by restrictions receive funding in recognition of the financial challenges that they face

- Since March we have launched a number of bespoke funds targeted at industries and businesses that are experiencing specific challenges as a result of restrictions including for the seafood sector, the creative industries and culture sector as part of a £2.38 billion package to support the business community through the unprecedented challenges presented by COVID-19.
- We recognise that certain sectors are unable to access ongoing financial support as part of the business support arrangements we have announced to accompany the Strategic Framework and are actively exploring options to address this.
- We once again call on the UK Government to either give us the funding that we require to fully support the business community or to grant us the financial flexibilities that we require to access the necessary funding.

Working with industry

We understand that many businesses will want to argue that different types of premises should be open at different levels.

- We know the difficulty and frustration that can inevitably come with further restrictions – but those short-term sacrifices will ensure we will be in a better position in the long-term.
- We have published on our website a technical paper giving more detail of the data and wider factors that will guide decisions around which levels of Scotland's Strategic Framework should apply in each local authority area.
- We have been undertaking a short period of detailed engagement with our local authority partners, stakeholders, business and trade unions, enforcement and wider civic society.
- We value the efforts that businesses and other stakeholders are making both to improve compliance and to work with us to develop our plans, and we will continue to engage with them.
- While it is unlikely we will be able to accommodate every request while still suppressing the virus, we are listening to and carefully considering the representations made to us on the content of the levels.
- We will keep the detail of each level under review as the situation develops.
- Our approach and principles remain those we set out in our Framework for Decision-Making, based on evidence and expert advice and it does so rooted in tackling the four harms we know the virus causes.

We continue to work with industry, trade unions, regulators, local authorities and others, including equality organisations, to publish and refine sectoral guidance to support the safe recovery of our economy.

- Work is underway to update current sectoral guidance in line with the strategic framework.
- This will include further clarity on working in other people's homes.
- We are working with the enterprise agencies on a marketing campaign to direct businesses to the best sources of information on the Strategic Framework. This will take into account the needs of each sector.

Hospitality is one of the sectors bearing the biggest impact of restrictions.

- The sector wants to see more activity allowed, especially at level 3, however areas at level 3 are the areas with the highest levels of infection.
- Our judgment is that to ease up anymore at this stage - particularly as our progress remains so fragile - could risk tipping these levels closer to level 4, rather than have them make the progress we want to see towards level 2.
- We have maintained regular contact with the Scottish Licensed Trade Association, Scottish Tourism Alliance, UKHospitality, the Scottish Hospitality Group and other business organisations throughout the pandemic to discuss issues affecting the sector and what support we can offer.
- We value the efforts that businesses are making both to improve compliance and to work with us to develop our plans.
- We will continue dialogue with the sector on the proposals it has put forward.
- However, in specific areas we need to make short-term sacrifices to ensure we will be in a better position in the long-term and suppress the virus.
- We are committed to keeping restrictions in place no longer than is necessary to achieve this aim.
- We will also establish an expert advisory group on reintroducing safe low level music and background noise.
- We will continue to work with different sectors of the economy to ensure that shops, bars and restaurants are as safe as they possibly can be.

We understand the impact COVID-19 has had on the hospitality sector, and welcome the steps already taken by the sector to help contain the virus

- We are seeking to find a balance between action to suppress the virus and the protection of people's jobs and livelihoods.
- That is why we are making an additional funding available to support businesses that will be affected by these measures.
- Businesses in hospitality have been able to access wider Scottish Government support packages, in addition to 100% relief from non-domestic rates in 2020-21 for properties in the retail, hospitality and leisure sectors.
- Test and Protect data show that a notable proportion of cases mention social/recreational exposure, including hospitality or socialising with friends/family, within 7 days prior to onset of symptoms or receiving a test.
- The report by the Tourism Recovery Taskforce, published on 23 October, makes a number of recommendations that will continue to mitigate against the impacts of the virus, and to protect jobs.
- We are confident the temporary restrictions are essential and proportionate to the risk posed by coronavirus if we are to prevent a return to the dangerous level of infections experienced earlier this year.
- We responded to the letter on the Judicial Review on 28 October.

We will continue dialogue with the hospitality sector on the proposals it has put forward in relation to entry cut off and closing times.

- At the moment, progress on suppressing the virus remains fragile and easing-up more could bring further risks.

We have listened to concerns raised by some nightclubs that they are ineligible for funding because they have adapted their operations to remain open

- We are eager to ensure that we do not inadvertently penalise businesses that have been innovative in adapting their operations to address the challenges presented by COVID-19.
- Therefore all nightclubs will now be eligible for funding, including businesses that have reopened for a short period or adapted their operations throughout restricted periods.
- We recognise the impact of continued restrictions on nightclubs and will ensure the limited funding available to the Scottish Government is distributed fairly and equitably.
- Nightclubs have been particularly badly hit by this pandemic – unlike the majority of businesses, they have not been allowed to open as a nightclub since March.
- The new grant support scheme takes account of those exceptional circumstances and will provide a boost as we continue to tackle the virus.

We have recognised the difficulties facing independent cinemas, and have provided £3.5m resilience funding through Screen Scotland.

- Under the Strategic Framework, cinemas and drive-in cinemas must close in areas **under Levels 3 and 4** from 2 November.
- Stakeholders in the cinema sector have been extremely critical of this decision, since cinemas have been able to open since July and have operated safely with no known outbreaks or incidents linked to cinemas.
- The £3.5m resilience fund was open for applications from 14 September to 5 October and decisions are expected this week.
- Under the Strategic Framework, businesses will be able to apply for financial support if they are forced to close.

PUBLIC HEALTH CHECKS AT BORDER

ISSUE 04 November: Published data (26 October – 01 November October) shows the National Contact Tracing Centre (NCTC) is exceeding the commitment of contacting at least 2,000 people per week who are required to quarantine.

Out of the 2,804 attempted contacts, successful contact has been made with 2,165 (77%) . A further 194 (8%) are in progress. 445 have been unable to be contacted (15%), for reasons such as an invalid phone number or no response to the call.

ISSUE 02 November: The Times reports on more index cases reporting travel to Blackpool than "rest of the world". Scottish Passenger Agents' Association to rally outside Parliament on Thursday for "an end to the quarantine hokey cokey."

ISSUE 02 November: The Times reports on Prof. Hugh Pennington's call for "quarantine hotels" due to concerns that advice to self-isolate is being widely ignored.

There are a number of reports and surveys which indicate a range of compliance. The results of the most recent Public Insights Bulletin [not yet published] indicate over 70% of people say they are complying with quarantine.

ISSUE 26 October: Open letter to SG from Scottish travel agents calling for testing at airports and more support for the travel and tourism industry. *"They need to come out and say whether there will be a testing protocol put in place at Scottish airports so EVERY arriving passenger is tested and then again 5 days later which would negate the need for the 14 days quarantine. We are aware that discussions are currently ongoing on this but it needs to be implemented as a matter of urgency."*

ISSUE 13 October: Edinburgh Airport called for a robust testing regime to be introduced as passenger numbers over the summer months have fallen by 91%.

TOP LINES

- We are managing the risk of cases coming into Scotland from countries where the infection rate is higher than here.
- Contacting people is vital to ensure those who are required to quarantine for 14 days are supported to do so.
- Public Health Scotland are contacting all travellers returning from high-risk countries by email.

Testing as an alternative to quarantine

- Testing at airports is something we are considering very carefully.
- Covid-19 has an incubation period of up to 14 days and the quarantining of travellers from high risk countries is the safest way to reduce transmission of the disease.
- We are working on a four nations basis to examine whether additional measures at airports could further reduce the risk of imported Covid-19 cases from abroad.
- The UK Government has created a Global Travel Taskforce to look at this in more detail, Scottish Government is engaging with the GTT. It is due to report to the Prime Minister in November. Indications are that it will recommend a test on day 5 with passengers being released from quarantine following a negative result.
- We have been engaged in very constructive conversations with representatives of

Edinburgh, Glasgow and Aberdeen airports.

- Meetings are ongoing between airport and government analysts to scope the parameters of a possible pilot scheme.
- This will allow us to better understand the risks around transmission.
- No commitments have been made at this stage, but we will carefully assess any and all options proposed.
- Some countries have introduced a requirement for passengers to produce a negative test taken up to 72 hours before departure. Passengers who do not comply are required to either take a test on arrival and self-isolate until a negative result is returned or self-isolate for 14 days if they do not want to take a test.
- Contrary to the claims made by industry, there is no emerging international norm. The quarantine and testing requirements vary widely across the world. Some require pre-departure testing and arrival testing, some rely on arrival testing and others quarantine while others still ban entry entirely for nationals of certain countries.
- Industry is likely to press for the Scottish Government to adopt a regime similar to one being introduced by the Canary Islands.
- The authorities in the Canary Islands have moved to require passengers to provide a negative test taken up to 72 hours before departure from their home country. They will then pay for passengers to take a subsequent test in the 72 hours before their departure from the Canaries. Any passenger testing positive will be provided with free accommodation for a period of quarantine. In this way the Canaries authorities are attempting to ensure infection free travel.
- Pre-departure testing is one of the options under consideration by the Scottish Government. There are a number of significant issues to be resolved including validation of testing conducted overseas and the possible impacts on domestic testing capacity (and associated costs) if reciprocal testing agreements were required.

TRAVEL TO THE REST OF THE UK

- We are clear that no one should travel from Scotland to England, nor to any other part of the UK unless it is essential.
- The same advice is being given on travel from any other part of the UK into Scotland.
- While there are currently no plans to make this mandatory through regulations, this will be kept under review, as is happening with all other aspects of our measures to contain the spread of the virus.
- The PHS weekly statistical report now includes (from 28th October) information on Index cases who have reported travel to the rest of the UK.
- In the latest reporting week (ending 1st November), of those interviewed, 347 cases travelled outside of Scotland, 268 to the rest of the UK (excluding Scotland),

TESTING AT AIRPORTS

We want to continue to explore whether there is a better balance around quarantine, but we are clear that the risk to public health must be minimised.

- Covid-19 has an incubation period of up to 14 days so quarantining of travellers from high risk countries is the safest way to reduce transmission of the disease.
- We are not yet satisfied that moving from quarantine to testing would provide enough

protection – people in the early stages of incubation of the virus could test negative and go on to develop the virus and spread it.

- We fully understand industry concerns and will continue to explore whether there is a better balance around quarantine, but we are clear that the risk to public health must be minimised.
- There are a number of logistical and clinical considerations to be resolved, and the Scottish Government and industry agree any potential impacts to existing testing capacity must be carefully considered.
- We are working on a four nations basis to examine whether additional measures at airports, such as testing, could reduce the risk of imported cases from abroad.
- The airports are developing some options around testing that could be piloted, and we will carefully assess any submissions that are made to us.
- This will allow us to better understand the risks around transmission.

International travel is a factor in only a small proportion of Covid-19 cases.

- The Public Health Scotland report includes data on cases which have reported travel outside Scotland.
- Since 28 September fields have been available to record information about whether a case has been outside of Scotland.
- In the week ending 1 November 6,644 index cases were on the CMS system, of which 85% had a fully completed index case interview.
- Of those interviewed 347 cases travelled outside of Scotland, 268 UK (excluding Scotland), 75 Europe and 4 rest of the world.
- While some countries do require international arrivals to quarantine in a government-provided location, this is not something we are looking to introduce in Scotland.

CONTACT TRACING

A contact tracing team is now in place in the National Contact Tracing Centre solely dedicated to border control calls.

- Public Health Scotland contact everyone who is required to quarantine by email.
- A random sample of travellers are then followed up through telephone calls to establish if they need any information, guidance or other support.
- The dedicated team have a target of 2,000 calls per week starting from 5 October – and have been exceeding that so far
- Resource from this team will not be directed away from border control calls without agreement from Scottish Government.

Between 22 June and 01 November , 17,788 people have been followed up by the National Contact Tracing Centre with 14,827 (83%) being successfully contacted

- In the same time period, tracers were unable to contact 2,767 (15%) people and 194 (2%) are still in progress.
- In the last reported week (26 October – 01 November) the National Contact Tracing Centre made successful contact with 2,165 returning travellers - exceeding their 2,000 target.

POLICE REFERRALS

If the National Contact Tracing Centre is unable to make contact via 3 phone calls or an email Public Health Scotland is obliged to share details with Police Scotland

- Appropriate details of individuals are passed to Police Scotland for follow up.
- Police Scotland continue to follow-up to engage, explain, encourage, and enforce the law, where necessary.
- This is the right thing to do, as quarantining is critically important.
- Latest Police Scotland published data shows cumulative totals for referrals from Public Health Scotland:
- Up to 18 October, Police Scotland had received 537 referrals from PHS and issued seven Fixed Penalty Notices.
- Police Scotland data confirms that the number of Public Health Scotland referrals more than doubled the cumulative total in w/b 12 October
- This reflects the increased number of follow-up calls undertaken by Public Health Scotland following recent recruitment
- The time lapse between recording and publication is due to the assurance process involving the SPA and while this results in a delay, it does provide added consistency and confidence.

Police Scotland will seek to contact everyone who is still within their quarantine period that PHS have been unable to contact.

- Where officers are unable to trace an individual within the 14 day quarantine period, a risk assessment is carried out by Local Policing Supervisors.
- This determines whether there are any grounds for continuing enquiries (e.g. missing person enquiry or criminal investigation).
- If there is no evidence of an offence being committed or no concerns for the wellbeing of the individual, the enquiry may be closed at that stage.
- Individuals who do not complete the Passenger Locator Form and present it when asked on arrival may be fined £60. The fine can be doubled for each subsequent offence up to a maximum of £480.
- Failure to comply with the requirement to quarantine could result in a fine of £480 or individuals can be reported to the procurator fiscal.
- invalid phone number or email address,
- failed ID verification (NCTC could not be confident that the person who was on the phone was the person in the data), or
- contact could not be made before the end of the 14 day quarantine period.

○

EXEMPTION LIST (RECENT CHANGES TO EXEMPTION LIST)

We make our decisions on country exemptions based on data and evidence.

- While we try to align our decisions with the UK Government and other UK nations we cannot do so just for the sake of it.
- We have to make evidence-based decisions, and the different position of other UK nations in relation to the virus means there will sometimes be a different assessment of risk.
- We review the exemption list continuously and where there is clear evidence that it is safe to do so, we will add further countries.
- Likewise if we have a situation where the position in a particular country has deteriorated, we must act quickly to impose quarantine.
- Otherwise we risk having people arriving in Scotland from these countries with no obligation to quarantine, and potentially transmitting the virus.

We have taken a regional approach where we have the evidence to do so.

- We are willing to take a regional approach to country exemptions.
- However, this is only where there is sufficient evidence to enable us to do so.
- We will work with the other UK nations to ensure any regional approaches that are adopted continue to protect public health.
- We will focus on the quality and range of evidence at a regional level including the evidence on importation of risk.
- It is important we have confidence in the stability of the data to allow us to be confident that decisions can be sustained to minimise the risk of public confusion.
- The Joint Biosecurity Centre (JBC) began preparing evidence on a regional basis from the 7th September.

PROCESS

All travellers arriving in Scotland from a country which is non-exempt from quarantine rules are required to quarantine for a period of 14 days.

- Since the beginning of August, Public Health Scotland has introduced an additional step to send an email to all individuals required to quarantine when they arrive.
- Travellers from some sectors (e.g. elite sports people and high end film/TV production) are exempted from the requirement.
- However, they do require to complete the passenger locator form.
- Passenger arrivals into Scotland are provided by the Home Office to Public Health Scotland.
- Public Health Scotland take a sample of those passengers required to quarantine and pass the data to the National Contact Tracing Centre.
- The National Contact Tracing Centre contact a random sample in order to provide public health advice and support.
- We do not have data on the health of those individuals contacted, however they are offered advice on what to do if they feel ill.
- Almost 436,419 travellers have arrived in Scotland since the 22 June.
- It is not practical for the National Contact Tracing Centre to make individual phone contact with each and every traveller given the sheer volume of contacts required.

EXEMPTION LIST RECENT CHANGES

07 November 2020

- Denmark: arrivals from 04:00 on Saturday 7 November: British Nationals, or residents, who are returning to the UK directly or indirectly from Denmark will need to complete the passenger locator form and self-isolate with all members of their household for 14 days from 04:00 on Saturday 7 November. From 04:00, Saturday 7 November 2020, the UK Government implemented immigration powers meaning visitors arriving into the UK from Denmark will not be permitted entry
- arrivals between 12:30 on Friday 6 November and 04:00 on Saturday 7 November: all travellers from Denmark must self-isolate if they arrived in Scotland between 12:30 on Friday 6 November and 04:00 on Saturday 7 November. Their household members must also isolate from 04:00 on Saturday 7 November
- Germany and Sweden: travellers from Germany and Sweden will be required to self-isolate from 04:00 on Saturday 7 November

01 November 2020

- Travellers from Cyprus and Lithuania will be required to self-isolate from 04:00 on Sunday 01 November

25 October 2020

- Liechtenstein removed from exemption list based on border and travel advice risk assessments changing from amber to red and moderate to high.
- The Canary Islands, Denmark, Maldives and Mykonos added to the exemption list based on border and travel advice risk assessments changing from red to amber and high to moderate.
- Passenger information requirements amended to remove 'travel booking reference' and add 'seat or coach number (where relevant)' and sectoral exemption amended for oil and gas workers and definition of a 'visiting force' substituted for a new definition.



Rt Hon Nicola Sturgeon MSP
First Minister of Scotland
The Scottish Government
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

28 October 2020

Dear First Minister

Further to the publication of Covid-19: Scotland's Strategic Framework on 23rd October and the subsequent announcement around the restrictions for Scotland's hospitality industry, our Chairman, Stephen Leckie and I would like to request a meeting with you at the earliest possible opportunity.

As you have acknowledged most sincerely in the past, Scotland's hospitality and tourism industries are experiencing severe financial hardship and immense challenge, more than most sectors. These challenges are now beyond the realm of capability for the majority of owners to overcome; in fact the conversations I have had in the past few weeks indicate a new wave of crisis for our industry in relation to mental health.

We were hugely encouraged by your offer of continued dialogue during our call with you in June and we would be grateful of the opportunity to appraise you with more detail around some of the challenges faced by all sectors within our tourism industry and what in our view would be required for short term protection and long term sustainability for Scottish tourism.

We would like to discuss the following areas as far as time permits:

- Short Term Lets: Consultation on a licensing scheme and planning control areas in Scotland – it is the widespread view of many of our member organisations and business groups that this consultation should be halted in light of the significant burden and pressure already being experienced by the sector and at least allow time for recovery. We would value the opportunity to extend the invitation to discuss this issue to our colleague Fiona Campbell, CEO Association of Scotland's Self-Caterers who will provide more clarity around this.

- The immediate six priority actions and asks of the Scottish Government as outlined in the Tourism Task Force Report; some of the below actions are already under discussion, however we would look for a firmer commitment on the first and second actions.
 - *Work with the sector on planning appropriate evidence-based restrictions and proportionate, fair financial compensation arrangements if further lock downs are required.*
 - *Provide additional targeted grant support and advice to tourism and hospitality business who have either not been able to trade at all or sufficiently well enough to generate enough revenue to see them through the coming 6-9 months of off season. (Papers to follow)*
 - *Provide support to improve workplace safety and a skills development package to retain talent and develop leadership skills*
 - *Extend Business Rates Holiday for another year targeted at sectors and regions most impacted.*
 - *Fund marketing support to boost visitor demand and increase visitor confidence at the right time.*
 - *Progress alternative options for robust Testing Regimes – to facilitate and drive international travel.*
 - *Support a request to UK Government for temporary removal of Air Passenger Duty to boost route competitiveness if this can be aligned with longer term Scottish Government Climate Change ambitions.*

The STA will hold its AGM on 4th November and I would very much value the opportunity to have the discussion with you before then to enable me to update my industry colleagues at what has now become a critical point for the future survival of Scotland's tourism sector.

Yours sincerely
 Marc Crothall
 Chief Executive - Scottish Tourism Alliance