

**SCOTTISH TOURISM RECOVERY TASK FORCE
RECOVERY WORKING GROUP
INITIAL CONSIDERATIONS & RECOMMENDATIONS 8TH JULY**

The Recovery working group has been asked to:

1) Bring forward recommendations on what changes to existing policy regulation and other sorts of new initiatives and direct interventions that are not directly linked to driving demand or investment in assets or infrastructure would help businesses get back on their feet and aide recovery over the coming 12 months and beyond. This also includes forms of continued support from both Scottish & U.K. Government.

2) The RECOVERY Group are also being asked to consider and bring forward specific recommendations and initiatives as to what will be needed to help both grow, protect and retain the current, displaced and future workforce.

Initial considerations & recommendations from the working group have been consolidated in this document and the main themes emerging are outlined below.

Business Recovery

- Additional funding packages
- Taxation, regulation & investment
 - Reduce costs to business
 - Accessing investment, low cost loans and grants
 - Relaxing bureaucratic procedures / removing red tape
- Business support / advice
 - Tailored support / Mentoring
 - Financial modelling / cash flow
 - Digital and data capability
 - Innovation and product / service development
 - Start-up
- Greater access to relevant and timely data and insights

Workforce Recovery

- Retaining existing and emerging talent in the sector
 - Flexible furlough extension or equivalent
 - Employee retention scheme through learning & development
- Upskilling and reskilling
 - Developing a flexible, skilled workforce
- Expanding apprenticeship provision within the sector
- Further and higher education that's fit for purpose
- Tourism as a career of choice
 - A curriculum for tourism across the education system
- Fair and safe work -> Fair & safe work charter

Detailed contributions from the working group are included below.

Willie Macleod – UKH Scotland

Updated top-ten to support recovery: (1-5 very much Sc Gov't, 6 & 7 shared SG and UKG, 8-10 very much UKG)

1. Understanding that decisions on social distancing parameters - 2 metre / 1 metre are critical the viability of businesses especially vital markets such as events, functions, banqueting and conferences. There is an urgent need for clarity on opening dates and guidance for important hotel services such as meeting and event space, weddings, health clubs and spas;
2. Initiation of well-resourced national and local destination marketing and promotional campaigns to reassure domestic and international markets, business and leisure consumers that travel / tourism and hospitality are safe, stimulate demand and encourage bookings. Host communities need to be reassured that well managed tourism businesses which observe government guidance and implement safe operating practices pose little risk to health and safety. Visit Scotland should be allocated significant additional resources to enable this;
3. Continuation of the holiday on business rates during at least the 2021 / 2022 financial year. Cancellation of the proposed 2022 revaluation. Commitment to fundamental review of the business rates system as applied to hospitality and licensed businesses;
4. Commitment to a major programme of infrastructural investment designed to support the development of hospitality and tourism in Scotland;
5. Commitment to implementing the outcomes from the Advisory Group on Economic Recovery and the Scottish Tourism Recovery Task Force;
6. Funding support for larger hospitality businesses which have received no grant support, have been unsuccessful (or only partially successful) in their applications, or have been ineligible to apply, for Hardship / Pivotal grants and which do not regard CLBILS, CBILS, BBLS to have been sufficient in themselves to meet the financial needs of businesses. There needs to be a re-engineering and total refresh of grant support for the businesses which were unsuccessful, for no explainable reason, with previous applications. These larger businesses have greatest potential to kick-start the economy (directly and indirectly) but have borne significant fixed costs while closed, often resulting in significant, unwarranted and unproductive borrowing and are generally under severe financial distress. There should be an interest holiday on this unwarranted borrowing. Corporation Tax rules should be amended to permit deduction of capital repayments of this additional and unforeseen borrowing before tax liability is calculated;
7. Measures to reduce costs being borne by businesses (for example the Apprenticeship Levy, Employers NIC, increases in National Living Wage) and a commitment to deferring (abandoning, even) new / proposed regulation that will impose additional costs on business and their customers – this includes proposals for a Transient Visitor Levy, Deposit Return Scheme, out-of-home eating restrictions;
8. Significant reduction (to 5%) in the rate of VAT on hospitality and tourism services including accommodation, food & beverage services and visits to attractions. This to be for the medium-term to stimulate demand, allow businesses to recover and meet statutory increases in costs such as National Living Wage increases;

9. Ongoing and flexible Job Retention Scheme (furlough) for hospitality at 80% of wages up to £2,500 / month until at least October 2020 with a commitment to review no later than September of the possible extension of this into Spring 2021;
10. Continuation of deferral of all VAT, PAYE and business tax payments due to Government in 2020 until at least April 2021 and removal of penalty interest on late payments.

As to workforce issues, I think that all top ten as below - which relate both to SG and UKG reflecting devolved and reserved powers - will directly or indirectly grow and protect the workforce but specifically I think there needs to be:

- specific incentives to recruit and train indigenous staff (there being no prospect of a hospitality SOL, relaxation of ending free movement or a Scotland visa)
- Clarity over Sector Deal skills programme - what happened to this??
- Scottish Government hospitality / tourism careers promotion (what happened to this??)
- Promotion of hospitality / tourism in Schools
- Increase in hospitality apprenticeship funding to meet true costs of app'ship
- Hospitality foundation and graduate apprenticeships
- Encourage older workers
- HR management training and development for managers / owners
- Demonstration of clear career paths / potential for progression esp to young people
- Support Scottish Apprenticeship in Hospitality
- continued flexible furlough
- reduced employers NIC / increased NIC thresholds
- Resourcing Springboard to develop and increase / extend its activities - ambassadors etc.

Mark Tate – SCC commentary on priority work areas for Scottish Tourism Recovery Task Force - Recovery Sub Group.

The Scottish Chambers of Commerce Network consists of 30 chambers of commerce from across Scotland. We have 12,000 paying members representing all sectors of the economy. **The Scottish Chambers Network alone represents over 1,600 businesses directly involved in the tourism sector who employ over 46,000 people and many more supply chain businesses and employees who are dependent on Tourism.**

This feedback has been provided on short notice and will be subject to change on further consultation with our membership.

Short-term asks	Strategic/Operational Asks
<p>Refining Existing Support</p> <p>Expanding the reach of existing grant schemes to help businesses survive reposition their offerings in line with Government guidelines.</p> <p>Expand the reach of existing schemes to cover businesses hitherto unable to claim (eg RV > £51) and to remove some of the cliff edges that exist.</p>	<p>Reducing The Cost Of Doing Business</p> <p>Targeted reductions in Non-Domestic Rates support for the whole sector for a further 18 months.</p> <p>Consideration to amending both VAT and National Insurance thresholds for a limited period.</p>
<p>Protecting Jobs</p> <p>Targeted extension of the furlough scheme to enable businesses to retain their workforce at a time of significantly reduced capacity and as we enter our traditional seasonal decline. Allowing businesses to return to normal trade as soon as allowed.</p>	<p>Protecting Jobs</p> <p>Tailored financial support for tourism and hospitality businesses (and supply chain as appropriate) including the roll out of a dedicated Scottish Jobs Retention and Retraining Scheme running beyond the current UK Government furlough scheme.</p> <p>Targeted employment and incentive grants to enable businesses to retain, upskill & reskill employees in line with Scotland Outlook 2030</p>
<p>Workforce Planning</p> <p>Whilst the Scottish Government have indicated a preference to return to normal schooling in August, preparations must be put in place now to ensure that the hospitality/tourism workforce can return confidently to full time work if this is not the case.</p> <ul style="list-style-type: none"> • Class hospitality workers as essential workers as they cannot work from home and provide supervised full time learning environments 	<p>Training and Careers</p> <p>Build on the vision in Scotland Outlook 2030 to make Tourism a Career of Choice by expanding and creating destination based “Tourism Academies” building on the work done by destinations including Edinburgh and the North East.</p> <p>Specifically supporting apprenticeships aimed at retraining and upskilling unemployed workers as well as re and upskilling existing</p>

<ul style="list-style-type: none"> • This does not have to be full time teaching, it can be supervised distance learning in non school venues such as conferencing facilities which are unlikely to be used in the near term. • This could have the dual benefit of providing much needed income to the conference sector. 	<p>tourism and hospitality staff to pursue a more defined and recognised career in Tourism. Government to amalgamate funding pots of Funding Council/SDS/Benefits packages and where possible “employ young people” with Tourism Leaders directing skills and training requirements.</p>
<p>New Support Packages</p> <p>Financial support to help Tourism and related supply chain businesses to “bridge” overhead and working capital requirements as trading recommences.</p> <p>For example, Germany is providing bridging grants releasing 80% funding of fixed operating costs for up to three months if revenues have fallen by more than 70% YOY.</p> <p>In Scotland this support could be partially funded by underspend in other grant funding.</p>	<p>Mentoring</p> <p>Build on the success of the SCC Network mentoring focus by creating a new Scottish Chambers Network “Expert Mentoring “ focus specifically for the tourism industry to support and enable knowledge transfer to help smaller tourism businesses to grow, excel and create new business models.</p>
<p>Building Business Confidence</p> <p>Guidance needs to be clear and concise as we move through phases of reopening. This needs to be reinforced and communicated to communities and visitors, not just businesses to build confidence.</p> <p>Clear and consistent guidance needs to be issued to local authorities (and understood by businesses and communities) on how local authorities (or other agencies) will be policing and enforcing guidance which is potentially open to significant local interpretation.</p>	<p>Support Our Destinations</p> <p>Destination Organisations are at the heart of our tourism offering, they engage and harness the power of our communities as well as our businesses in recognising, supporting and promoting the sector. DMO’s need to be both sustainably funded (by private and public sector) and nationally endorsed.</p>
<p>Consistent Enforcement</p> <p>Guidelines put the onus on individual businesses to undertake a risk assessment. We need to issue consistent national guidelines on how local authorities are to interpret and enforce these guidelines.</p>	

<p>VAT Deferral</p> <p>Continued flexibility on VAT payments to enable companies to flex their cash flow as they recover. For example, up to 1 month grace for each of the next four quarters.</p>	
<p>International travel</p> <p>Accelerate the introduction and finalisation of “Air Bridges” to open up airports domestically and internationally.</p> <p>Reduce Air Passenger Duty immediately, or alternatively, introduce a “Scottish Package” paid direct to airlines to enable them to pass on reducing APD immediately.</p>	
<p>Protecting Our Reputation</p> <p>As we reopen visitor intensive areas, particularly those that have had low Covid-19 incidence, we must work to ensure they feel welcome.</p> <p>Local and National Park Authorities need to ensure they are working with industry and communities to welcome visitors back with confidence. For example ensuring traffic enforcement offers are visible at hot spots and seen to be actively managing the situation.</p>	

<p>THE BELOW ARE IN THE REMIT OF WORKGROUP 1 - DEMAND STIMULATION</p> <p>Domestic and International Promotional Campaigns -</p> <p>Increase substantially domestic marketing and sales campaigns to attract UK visitors to Scotland, and major International Campaign as “safe place to visit” et al.</p>	<p>THE BELOW ARE IN THE REMIT OF WORKGROUP 1 - DEMAND STIMULATION</p> <p>VAT</p> <p>An immediate and significant sector specific reduction in VAT.</p>
<p>Buy Scottish</p> <p>Explore the introduction of tourism and the hotel industry to adopt a buying local suppliers (many currently do this), but expand to create a Network of Scottish Suppliers.</p>	<p>THE BELOW COMMENT IS IN THE REMIT OF GROUP 3 - INVESTMENT</p> <p>The sector needs to be prioritised for investment in our people, our places, our experiences and our businesses in line with Scotland Outlook 2030.</p>
<p>Scottish Tourism Voucher Scheme</p> <p>Consider fiscal demand stimulation through the introduction of a Scottish Tourism voucher in conjunction with Industry.</p>	
<p>This could be used to stimulate off season (November, early December demand) and rather than businesses discount face value vouchers could be issued by Government and businesses recharge Government at a set discounted rate.</p>	

Gordon Morrison - Bullet point Recovery suggestions - ASVA

- Reduction of 2 metre physical distancing to 1 metre in visitor attractions as it already is in the hospitality and retail sectors, to allow more of our sector to re-open at a financially sustainable level
- Reduce the cost burden on the sector – in lockdown the average cost of operating an attraction when closed is £64K. This is with the furlough scheme in place. More needs to be done to help our sector reduce operating costs, otherwise the cost cutting will be through redundancies. Steps that could be introduced are:
 - Reduce VAT to 5% or 10% (max)
 - Extension of business rates relief for the full 2021/22 year
 - Work with utility companies to offer reductions and discounts on utility bills or government provide temporary subsidy
 - Extend part-time, flexible furlough until start of next season
 - Reducing the cost burden could not only save jobs, it could lead to more employment. Many attractions have stated that post-lockdown conditions mean that they would likely need

more front of house staff to manage the visitor journey. As it stands, this is additional cost that many can't afford. Reducing the cost burden in other areas, could stimulate these attractions to re-open and employ more staff.

- Grant support for specific purposes – e.g. to assist in buying PPE and/or technology to help the sector adapt to post-lockdown conditions. – Similar to 'Kick Start' programme announced by UK Government.
- Easier access to loans and loans at more favourable terms for a longer period
- Increase level of Gift Aid that can be claimed on donations from 20% to 25%, as requested by the Charities Aid Foundation
- Perhaps a controversial one, but do not increase the living wage any further in the short term. Wage costs are some of the biggest costs at attractions and any increase in living wage would put additional financial pressure on the sector while it is at its most vulnerable.
- The pandemic has shone a light on the fact that many attractions, particularly independent museums, are heavily reliant on volunteer staff to operate. One of the reasons much of our sector is not reopening is because elderly volunteer staff are unwilling to return to work. The government could look at introducing some kind incentivisation scheme to encourage the conversion of volunteer jobs to paid jobs, which could allow more of the sector to reopen and see new job creation in the industry
- Support programmes to encourage innovation within the sector, such as the Rebuilding Income Streams Programme from Social Enterprise Academy. ASVA have partnered with SEA on this programme, but it is only funded for those in the 3rd Sector. If you are not 3rd sector there is a £200 cost. Government subsidies for programmes such as this could see more sector uptake and more innovative ideas to generate new income streams in the industry.
- Making data readily available to the sector. Many attractions are nervous about reopening because they don't know what visitor numbers are going to look like. Data could be shared from the big OTAs about bookings in Scotland as well as patterns of bookings from other places across the world to help inform decision making.

Jeanette Wilson - BH&HPA Scotland

Key considerations & recommendations for supporting business and workforce recovery

- Low cost loans to sustainable tourism businesses
- Fast track Planning process with general presumption in favour of applications that will assist with jobs/revenue generation/tourism
- Reduction in VAT for tourism businesses
- Loan repayments to be tax deductible for 3 years
- Defer VAT payments due March 21 till Sept 21 when SME's cash flow has improved
- Extension of business rates holiday till April 22
- Targeted subsidy to business to protect seasonal jobs through till April 21 - each business would commit to preserving employment - no job losses
- Financial assistance towards costs incurred by businesses adapting to new requirements because of COVID 19 and reduced revenue if not able to operate at normal capacity
- Tourism data hub to provide the information businesses need access to before making investment decisions

- More flexible local/online training opportunities to meet changing demand and Individual training accounts for people with reduced working hours and those who need to retrain
- Reduce employer NI rates
- Support fair work practices
- Abolish apprenticeship levy and introduce financial inducement for taking on apprentices
- Introduce online mentor programme to encourage people to stay in tourism and progress their career
- Raise awareness domestically of tourism as a career
- Migration policy to be flexible enough to permit people from overseas to work in tourism

Paul Togneri – Scottish Beer & Pub Association

Importance for us is around reducing the tax burden, increasing investment and supporting staff retention.

- Extension of VAT cut to include brewers and alcohol, and extension beyond current period.
- Reduction in Beer duty – vital to the viability of the pub sector.
- DRS – delay in introduction date.
- Tied Pubs Bill – government opposition to the bill which will have severe negative implications for the pub sector, at the worst possible time.
- Extension of business rates relief for 21/22.
- Extension of furlough scheme support.
- Use of public space by business to support recovery and space issues created by distancing.
- Support for major events bringing in significant number of visitors.
- Firm positioning of hospitality industry in Tourism marketing material.
- Target support grants for businesses
- Support for training, apprenticeships and the hospitality industry as a career path.
- Fund for businesses moving to support tourism sector (brewers creating visitor centres etc.).

Colin Smith – Scottish Wholesale Association

Existing Policy Changes

Drop/postpone Deposit Return Scheme (DRS), the only piece of legislation SG have not dropped/postponed, but which will cost industry £150m+ at a time when it can't be afforded.

Set up Hospitality supply chain as 'Free Trade Zone' for Scottish businesses? Reducing costs and encouraging 'local/Scottish' procurement.

Continue existing measures, such as business rates relief & VAT deferrals until a 'specific' measurable target is achieved in terms of Recovery (i.e. tourism numbers, employment in hosp/tour etc.).

Broaden business rates extension to the supply chain supporting Hosp/Tourism; protecting those businesses on which Hosp/Tour are reliant.

Good food nation bill - while this was dropped, was there elements that could actually be taken and applied within Recovery to ensure Scottish food is central to menus and retail offering? Was there learnings that Covid would allow Scottish food industry to flourish and regenerated GFNB allow that to happen?

How can business financial losses during F20/21 be used to offset future gains. At 100% relief and not just 19% capital gains tax allowance?

New Initiatives & Direct Interventions (not linked to assets & infrastructure)

SG Investment/Grants for suppliers directly linked to supporting growth & supply of smaller local businesses. (Offsetting stock loss, advertising, stocking costs etc.)

Push forward the work Food Tourism Strategy & connecting regional food groups/hubs

Protection of food & drink supply chain into Scotland. Securing, or introducing new supply routes, into Scottish ports, airports & markets. Especially in light of Brexit & NI protocol issues etc.

Solutions have shown that it's about people/business/industry working together. How do we ensure this continues? SG industry working groups established for policy changes etc. & not just a tick box exercise!

SG provision to support 'bad debt' incurred within business (needs explaining in person rather than a bullet point).

Make Hospitality the 'gold standard' of public protection/safety. Recovery only possible with public confidence & with SG confident guidance is being followed. Rules must be 'self-enforced' by business, with zero tolerance for customers not adhering to rules.

Assistance for business investment in 'digital' and for pivoting their business into new areas.

Workforce Protection & Growth

Extend furlough scheme for those in Hospitality & wholesale supply chain

Scrap 'apprenticeship' levy

Contribute/introduce a supporting 'young workers' grant for business; encouraging employers to take on young workers.

Reward business accreditation in ISOXXX etc. by reducing NI/ taxes

Lawrence Durden – Skills Development Scotland

- Support the implementation of recommendations from the Enterprise and Skills Strategic Board report on measures to mitigate the impacts of COVID-19 including:
 - *Expanding apprentice provision within the sector and providing incentives to employers to retain existing apprentices.*
 - *Developing work experience programmes for the under 25s within the sector*
 - *Providing assistance to up-skill or re-skill staff within the sector including targeted funding for smaller businesses*
 - *Introducing a Transition Training Fund to support staff made redundant from the sector to access training to find alternative employment, building on the skills they have developed.*
- Develop a Fair and Safe Work Charter for the sector to provide employers and employees with guidance on safe and fair work practices.
- Undertake a comprehensive (annual) tourism employee engagement survey to gain a greater understanding of the issues and challenges faced by staff working within the sector post COVID-19.
- Leadership and Management Skills will continue to be vital and we need to ensure that management training in colleges, universities and in the workplace is fit for purpose in the post COVID world and incorporates and understanding of the importance of fair and safe work practices.
- We need to continue to work to improve the perceptions of the tourism sector as a place to work and develop a career. The industry will need to continue to engage with schools and colleges and support the work of organisations such as Springboard to change perceptions and increase knowledge and understanding of the breadth of opportunities within the sector.

- The sector will need to continue to promote diversity within the workforce and actively recruit staff from a wide range of diverse backgrounds including individuals with disabilities, ethnic minority groups and older workers.

Anna Leask - Tourism & Languages Subject Group, The Business School, Edinburgh Napier University

1. Existing Policy and new initiatives or regulations - furlough extension for specialist roles; move to 1m distancing; VAT cut for all tourism/hospitality; rates reduction; Govn funded advertising to drive demand (this also needs a consistent message to be given re attracting visitors/places being closed or not keen to welcome visitors); reduction in capital works tax to allow alterations to businesses to adapt.

2. Grow, retain skill current and future workforce - ongoing furlough for specialists skills - storytelling, experience, technology, conservation skills; across all age groups; Work with FE and HE to provide range of funded relevant courses for all stages - lifelong learning, short courses, graduate apprenticeships and leadership to retain talent in Scotland and across destinations; Develop opportunity for short course delivery across Scotland (delivered online?) to enable retraining, new skills - could be led by research-informed universities but made very business relevant and applied e.g. current upskilling sustainable tourism module supported by SFC, DLP type delivery set within specific destinations to develop sustainable, locally relevant projects.

Richard Hardy - Prospect

A, kick starting the recovery – all the indications across the trade union movement in Scotland are that members are currently increasingly worried about the long term impact of COVID-19 on their jobs, concerns about job security and the issues relating to finding new employment if they are released are likely to be more pressing than considerations about holidays. We have already seen significant job losses being announced across the aviation sector, and indeed in the heritage / tourism sector itself at NTS, despite the ongoing support provided by the Westminster Governments CJRS. We are therefore concerned that relying on a self-starting domestic demand led recovery has inherent flaws. In respect of international demand, we have seen airports projecting flight levels (let alone passenger numbers) at around 50% until well into 2021, Edinburgh airport for example is looking to reduce it's air traffic management capacity, so even if there is a pickup in travel it will be some time before capacity can be built back into the system. Cutting VAT for businesses in the sector whilst having some benefits for business will not in our opinion, of itself, stimulate a demand led recovery. Allowing businesses to keep a greater share of money being spent by tourists does depend on actually getting tourists to those businesses, which in the current economic situation, is we believe, challenging. We are keen to see a more interventionist approach by Government along the lines identified in the first meetings presentations as being operated in Belgium etc., where the Government provides assistance to workers to undertake leisure and holiday activity

B, Conditionality, as has been widely identified and accepted the sector has a high percentage of employers paying less than the Scottish Living Wage, and relying on various forms of precarious employment. In line with the approach being taken by the trade union movement across the Scottish Economy our policy position is that businesses who avail themselves of state support must sign up to the fair work framework, and make the Scottish Business Pledge. The Scottish Government already operates the Fair Work First policy objective in respect of public procurement, the trade union see conditionality on access to public money as being wholly in line with this approach

C, Health, Safety and Enforcement – we have seen the impact of poorly thought through attempts to restart the hospitality and tourism sectors in a number of countries and jurisdictions. Most notably with pub closures in England following closely on the heels of last weekends re-openings, and the 6 week lockdown imposed on Melbourne and more widely on the State of Victoria in Australia. Any restarting of the sector needs to have at its heart the protection of staff and visitors. The sector must embrace a collective approach between staff and employers in respect of risk assessments, engaging with the relevant trade unions and being cognisant of the Safer Scottish Workplaces guidance on the use of Trade Union roving safety reps to provide support and assurance to staff about safety. The sector must also take cognisance of the First Ministers statement that it is not for workers engaged in their normal daily activity to enforce ongoing public health regulations, and that this is a job for professional enforcement authorities. Noting that these authorities are already significantly stretched by the ongoing crisis, businesses where breach of regulations is a high possibility must undertake additional risk assessments with a view to determining how such breaches will be addressed without additional risk to staff and others to whom the employer owes a duty of care

Lucy Husband - Scotland Food & Drink

- Tourism is very local so place is important, utilise the local council tourism teams to build a band of advisors to support the businesses, there are also other independent advisors who could be brought in on short term placements to support. Tourism and hospitality businesses don't know how to re-open safely, the interpretation of the guidance – they need advisors to support. Repurpose ZWS / Visit Scotland and SMAS teams to pivot around and build a huge army of on the ground short-term support. In addition, provide small grants (like start up / innovation) funds to allow businesses access to monies to support the changes they need to make around re-opening.
- Staycation hugely important so the consumer campaign focussed on Scottish consumers to make the most of our own country as too many will jump on a plane and head somewhere else (then not quarantine on the way back).
- Campaign for Scotland to the rest of the world but focus on food & drink and experiences, we don't focus on f&d enough.
- Gary McLean is not visible enough, he should be all over this....what is he being tasked to do?
- Build a programme of education to upskill Tourism Businesses, mirror the development programme we are building around the Food & Drink Manufacturers, they have similar needs to build knowledge, skills and build back to a resilient, sustainable business base. Business Capability Building in light of COVID-19: As tourism businesses emerge, confidence, capability and financial structure will have been substantially weakened. Develop a range of activities to rebuild capability in tourism businesses ensuring they can make well informed decisions and are well prepared for sustainable and profitable trade.
- Develop and deliver a structured programme of workshops, delivered in mix of 1-to-many and 1-to-1 sessions, to explore and inform businesses on issues critical for survival, recovery, then growth (and sustaining profitable growth).

- In no particular order, nor exhaustive, topics should cover, digital presence and route to market / market insights including understanding your audience / emerging and themed opportunities / Commercial / Brand building and Marketing / accreditation / innovation / business culture and efficient business models / efficient procurement / Sales strategy.
- The focus will be local -> regional -> Scotland -> RoUK, then connecting to International. As we move into Recovery in the short & medium term, intel will continue to shape the exact support needed to deliver to businesses that enables them to diversify and exploit emerging customer / consumer driven market opportunities. As we move into the longer-term the focus of the support may change to support activities that focus on the long-term growth, therefore allowing continued market development enabled by matching business capacity and capability.

Scotland Food & Drink

Point 1

- Survival and recovery is primarily a business support issue, not a sectoral issue. While sector knowledge is useful, helping businesses survive and successfully restart is closer to a standard business start-up process than anything sector specific.
- Financial modelling - with a laser sharp focus on profit and cash flow - is the most important element of that business support process in the current circumstances.
- Place matters. To survive businesses will need to adapt according to local trading conditions and local community sentiment. One size won't fit all at a regional level, never mind at a national level.
- For interventions to be effective, they must be targeted and be in response to identified business need. This will also make them more cost effective, the D&G Council Growth Accelerator Programme (now ended) is a good example of this.
- Targeted and responsive advisory support, focussed on maximising the survival potential of an individual business, is likely to have a better longer term benefit than cash grant support because it is equipping the business with sustainability and viability activity, whether through skills development or financial planning processes – businesses must be able to adapt in a profitable way before they can recover. Don't assume business owners know which parts of their business are profitable – you would be astonished at how many have no idea.
- There are no easy solutions to any of this, there will be a contraction. My recommendation would be packages of advisory support, locally determined and delivered, targeted at those businesses with capacity to adapt or which are particularly important to their local economies / communities. As an aside Lucy, it's absolutely bonkers that contractors like myself, Sandra and many other people we know are quiet when our skills and experience are exactly what's needed to support economic recovery.

Point 2

- There is likely to be a big increase in self-employment as a result of redundancies over the next 6-18 months. Therefore there are BIG opportunities to develop a really supportive start up programme that creates very strong foundations for new businesses, and to strengthen established routes to market for embryonic businesses, such as farmers' markets. There is so, so much could be done here.
- Straddling points 1 & 2 – there's an urgent need for innovation and product / service development support – we're seeing a shift in the market, not a market crash just yet – that shift in buying behaviour creates opportunities. As I mentioned in our meeting a few weeks ago, Northern Ireland

were lightning fast in launching modest but easy to access innovation funding for the food sector, one of my clients being a beneficiary of that. So not abstract, difficult to access, academic based innovation support; but practical, adaptation focussed grant based incentives – make it easier for people to capitalise on good ideas. So carrots rather than sticking plasters.

Scotland Food & Drink

Policy regulation

- I genuinely believe we need to be looking at new ways of city/town centre management that better supports hospitality (and retail) - this will require a very different approach to planning, licensing etc. for cities and towns to reinvent themselves as safe, welcoming places. Some temporary initiatives are in place but I think a more 'European' (for want of a better word) approach is required
- This also needs attention in heritage and similar locations where understandably conservation has been king, but more flexibility is required to support footfall

Intervention

- Businesses need to better manage cash in and out and I'm astounded at the number of operations (of various sizes) that just don't have the skills to do that. This may be due to a general diluting of skills in the industry over recent years. There is a fundamental lack of knowledge on menu engineering, margin/cost management, production management and other kitchen cost controls. As a result, poor cost controls impact on margins and can damage business survival - so some kind of business support there definitely required, could be 1-1/1-many
- Product development support and accessing alternative markets - from takeaway, eat at home, delivery models to more radical solutions - the standard cafe/restaurant model won't survive with reduced capacity and needs to develop. Intervention via business support to develop the different skill sets required, financial modelling etc.
- Connecting partners to support other business needs e.g. many hotels won't be able to reopen their F&B operations - can this be supported by others? Look at Aizle partnering with Kimpton. Also self-catering/accommodation provider connections and partnership enabling - will need to be done on a very local level. Can this be a solution for some meetings/events caterers at this time?
- Sustainability - move towards emphasis on disposables needs to be handled carefully - business support to develop sustainable solutions and ensure financial modelling takes account of requirements. Likely to be considerable pressure on likes of Vegware etc. Local food supply and sustainable menus needs attention also

Workforce

- Need for a more flexible workforce. For a long time the industry has been focussed on specialisms - chefs, barista, maître d' - with fewer jobs a more flexible approach is needed by employers and personnel
- Using chefs in a different way - partnering where there are community needs; educational partnerships
- Physical and mental wellbeing needs to be high on the agenda

Suzanne Cumiskey - Chair SLAED / P&K Council

In terms of feedback on the key considerations & recommendations that would support both business and workforce, our group to date have largely discussed matters relating to the 'respond' phase.

From discussions at our SLAED Tourism Group meetings the main concerns raised by members have been in relation to ongoing lack of physical visitor infrastructure; particularly concerns over public health due to toilet closures in the lead up to re-opening compounded by hospitality closures. We've discussed at length the need for a clear focus on Responsible Tourism in relation to accessing our assets as well as developing responsible tourism products. It has been recognised that there is need for strong and consistent messaging around this from all agencies. Community sentiment/engagement around the reopening for the tourism industry has been discussed as well as different approaches for tackling this. We've also discussed measures to tackle dirty camping etc. The group have expressed real concerns this is set to worsen as the focus is in the short term on domestic market recovery. A few recovery points raised on weekly calls have been questions around Tourism Tax/ Capital Projects in City Deals/ Growth Deals/Financial support schemes for businesses and where these now sit.

Our group are very operational so in the main the discussion points have been in relation to short term remedial actions and not necessarily yet on long term recovery.

Task Force Plenary Session

Measures to reduce costs on businesses

Examples include:

- Deferral / abandonment of new regulation on hotel / hospitality businesses including TVL, DRS, out-of-home food policies
- Reduction in Employers NIC
- Cancellation of Apprenticeship Levy
- Careful consideration of the impact on businesses / measures which will mitigate the impact of increases in NMW / NLW in April 2021
- Continuation of deferral of VAT, PAYE and business tax payments due to UK Government / HMRC until at least April 2021
- Gvmt work with utilities companies on temporary reduction of costs

Employee and business protection - to support recovery

Examples include:

- Tailored financial support for larger hospitality businesses
- Extension of business rates holiday into 2021 / 2022 and commitment to comprehensive review of the non-domestic rates system and the methodologies used to value hospitality and licensed businesses in Scotland
- Ongoing and flexible continuation of CJRS for hospitality businesses at the current rate (80% x £2,500 / month) until at least April 2021
- winter grant support – 3 winters
- More supportive planning regime
- Expert Mentoring focus specifically for tourism industry to support and enable knowledge transfer to help smaller tourism businesses to grow and create new business models.
- Investing in workforce – employee skills and training generally, but also immediate re H&S
- Green agenda?