



1m vs 2 m: The impact on Scotland's tourism sectors

- Two STA surveys ran between 16 - 21 Jun
- The STA survey for accommodation providers gathered in 1052 responses and was completed by 315 hotels/hotel groups (c20% of all hotels in Scotland)
- The STA survey for restaurants was completed by 394 restaurants/cafés
- The Association of Scotland's Visitor Attractions (ASVA), Wild Scotland, and the Scottish Beer & Pub Association (SBPA) ran similar targeted surveys that week to complement the STA surveys and help to build a picture across different sectors within the industry
- The ASVA survey was completed by 210 attractions
- The Wild Scotland survey was completed by 52 outdoor adventure operators
- The Scottish Beer & Pub Association survey was completed by 318 pubs

Highlights of the STA surveys

The two surveys which ran between 16 – 21 June focussed on accommodation providers and restaurants which are two of the largest employers within the hospitality sector in Scotland. The primary purpose of the surveys was to highlight to the Scottish Government the potential impact on businesses and job loss should the 2-metre physical distancing rule remain in place on account of scientific data. The surveys were also conducted to highlight the scale of longer-term financial support that will be required to protect businesses from total collapse. The organisation also sought to build a picture of how many businesses will be able to open from the indicative date of 15th July.

- **69% of hotels surveyed said that they were planning to reopen in July. 11% however said they had no plans to open. 5% are already open to key workers and those who require accommodation due to work.**
- **Almost a third of hotels surveyed confirmed they were not planning on reopening from 15th July and said that this was down to the 2m physical distancing restrictions which make it economically unsustainable for their business to operate.**
- **78% of hotels surveyed said they would lose more than 50% of turnover with 11% saying that they cannot afford to continue to stay open if physical distancing restrictions are not reduced to 1 metre.**
- **83% hotels surveyed said that their business would be financially unsustainable if they were required to trade at 2 metres physical distancing without any additional support beyond the next 2 months. This could result in there being up to c25,000 job losses from those surveyed (if we look at the higher end of full/part time employment figures submitted by those businesses).**
- **87% of restaurants surveyed said they would lose more than 50% of turnover with 23% saying that they cannot afford to continue if physical distancing restrictions are not reduced to 1 metre.**
- **85% restaurants said that their business would be financially unsustainable if they were required to trade at 2 metres physical distancing without any additional support beyond the next 2 months. This could result in there being up to c8,900 job losses from those surveyed (if we look at the higher end of full/part time employment figures submitted by those businesses).**
- **75% of self-catering, B&B and caravan and camping parks said they plan to be open in July. Despite these types of accommodation having fewer employees and being more self-contained, 11% are still saying that they have no plans to open with the current 2 metre physical distancing rule.**

Hotels

1. Following the announcement by the Cabinet Secretary that tourism businesses should prepare to open on 15th July, when do you plan to reopen?

Already open	5%
On 15 th July	54%
Later in July	15%
August	11%
September	4%
No plans to open	11%

2. If you are not planning to reopen on 15th July, what is the primary determining factor for this decision?

N/A - We intend to open on or by 15th July	48%
More time required to prepare	8%
2m physical distancing restrictions make it economically unsustainable	29%
International travel restrictions make it economically unsustainable	13%
Other	2%

3. If physical distancing restrictions are not reduced to 1 metre, what proportion of business turnover do you estimate you will lose?

None	1%
10%	3%
Around 30%	18%
Around 50%	37%
Around 70%	30%
Cannot afford to continue	11%

4. Is your business sustainable trading at 2 metres physical distancing for more than two months without any additional support?

Yes	17%
No	83%

Restaurants

1. Following the announcement by the Cabinet Secretary that tourism businesses should prepare to open on 15th July, when do you plan to reopen?

Already open for takeaway/delivery	17%
From 15 th July	48%
August/September	14%
No plans to open	21%

2. If you are not planning to reopen on 15th July, what is the primary determining factor for this decision?

N/A - We intend to open on or by 15th July	23%
More time required to prepare	6%
2m physical distancing restrictions make it economically unsustainable	48%
International travel restrictions make it economically unsustainable	16%
Other	7%

3. If physical distancing restrictions are not reduced to 1 metre, what proportion of business turnover do you estimate you will lose?

None	1%
10%	6%
Around 30%	6%
Around 50%	32%
Around 70%	32%
Cannot afford to continue	23%

4. Is your business sustainable if trading at 2 metres physical distancing for more than two months and without any additional support?

Yes	15%
No	85%

Association of Scotland's Visitor Attractions

- 210 visitor attractions completed the survey

Reopening timelines

Only 50% of the attractions surveyed plan to open by the end of July – the primary reason for this is Cost vs Return (impact of physical distancing limiting capacity, costs involved in getting attractions ready for post-lockdown environment, lack of international audience, reduced domestic audience at particularly indoor sites)

Impact of Physical distancing

- In total, only 20% of attractions stated they could operate at under 40% capacity and be economically sustainable
- 63% of sites stated that they would not be able to achieve 40% capacity if 2m physical distancing is maintained, meaning that if all attractions do open on (or by) the 15th of July, the majority would be doing so as loss making enterprises
- If restrictions were reduced to 1 metre, only 31% of attractions stated that they would not be able to operate with an economically sustainable capacity of over 40%.

If no further action is taken to support the sector before next season (i.e. if things remain the way they are with 2m physical distancing, no more financial support, phasing out of furlough payments and continuation of international quarantine)

- 6% state they may have to close permanently
- 42% will consider mothballing until next season at the earliest
- 89% will be undertaking further cost cutting exercises, mainly through staff redundancies, with upwards of 2000 FTE jobs at risk.

Scottish Beer & Pub Association

318 pubs surveyed out of the 4647 pubs in Scotland.

Only c13% believed it to be financially viable to open at 2m. In contrast, 82% of the pubs surveyed believed it to be viable to open at 1m.

On these numbers, if the 2m restriction remained in place, an average of 52.5% of staff employed are at risk of being made redundant. This equates to 23,648 jobs.

Wild Scotland (outdoor adventure operators)

52 businesses responded

59% of businesses said they will open in July. Of the 41% not planning to open in July, 25% said that this was due to the 2m physical distancing restrictions which make it economically unsustainable.

47% of businesses said they would lose more than 50% of business if social distancing was not reduced to 1m and 16% said they would not be able to afford to continue.

66% of businesses said that their business was not sustainable if trading at 2 metres physical distancing for more than 2 months and without any additional support.

Sail Scotland 74 businesses

18 Marinas and Boat Yards, 28 Charter and Sailing Schools, 17 Sailing Cruise /Holiday companies, 1 supplier to the marine trade and 5 shoreside retail/catering and attraction operators responded to the survey.

15% of those surveyed are already open and a further 43% of businesses said they will open in July.

Of the 42% not planning to open in July, 28% said that this was due to the 2m physical distancing restrictions which does not make it economically sustainable.

If physical distancing restrictions are not reduced to 1 metre, what proportion of business do you estimate you will lose?

45% of businesses said their turnover would reduce by more than 50% if social distancing was not reduced to 1m and 36% said they would not be able to afford to continue.

74% of businesses said that their business was not sustainable if trading at 2 metres physical distancing for more than 2 months and without any additional financial support.