WE'RE LOSING MILLIONS A WEEK

Hotels plead to open as tourism teetering on the brink

By **Sam Walker** and **Mark Howarth**

Cancelled: Family holidays at the seaside won't be allowed this Easter

CANCELLING the Easter holidays is 'catastrophic' for Scottish tourism and will result in millions of pounds a week in lost earnings, industry leaders have warned.

They urged ministers last night to 'let us trade' or risk the collapse of businesses across the country still reeling from last summer's full lockdown.

First Minister Nicola Sturgeon said this week that Easter staycations would not be allowed and she was only cautiously optimistic summer holidays at home would happen.

Businesses leaders warn that the gap between the cost of staying closed and grant money provided is too large to sustain while smaller traders say the 'clock is ticking' for them. They fear for their future if restrictions are not lifted by May.

The Scottish Tourism Alliance (STA) estimates hotels and bed and breakfasts face missing out on 13.5million overnight stays from staycationing Scots under current travel rules, as well as the equivalent of 7.5million overnight stays from international guests.

Hotel owner Stephen Leckie, who runs Crieff Hydro, in Perthshire, said he burned through his £25,000 government support cash in a single day and faces a £40,000-a-month bill to administer the furlough scheme to 900 staff.

He said: 'We've had so many setbacks ... but your heart sinks when you think of the businesses that have dug into their pensions, deep into their pockets... to survive. We were told to close our doors in December when we were supposed to welcome 2,000 guests.

'We were told we might be able to open in the February half term, that it might be a relief for us, but that looks like it's coming and going – so does March and Easter.

'We were starting to think that... we might save ourselves from ruin but that's not looking likely. The First Minister is talking how it could be three or four months but we are losing £25,000 every day, that's £1,000 an hour.

'The plea to the Scottish Government is to please let us trade.'

Figures released by the STA show that the wedding sector bolstered the Scottish economy to the tune of hundreds of millions of pounds during the peak summer season pre-Covid. But large weddings have been called off and businesses in tourism hotspots say such cancellations have helped bring down the 'guillotine' on the industry.

Willie Cameron, the owner of Loch Ness marketing, said: 'There will be no overseas visitors coming and then to hear the news that there will be no staycations, that is unexpected and financially catastrophic. Businesses were getting prepared for some kind of local holidays but the [latest] announcement has just brought the guillotine down on the whole lot.'

Simon Cousins, spokesman for tourism group Skye Connect, said the island destination had been 'disproportionately' affected. In 2019, 50,000 visitors to the Isle of Skye and Isle of Raasay generated £260million for their economies.

But Mr Cousins said: 'The impact of this announcement has been devastating. Cornwall in England has seen a boom in booking as people look to get out of London but we have not seen that here.'

Graham Bucknall owns the Bridge Inn at Ratho, near Edinburgh, and the Ship Inn at Elie, Fife. He has scrapped 44 bookings, with 59 for April at risk.

He said: 'I heard nothing from Nicola Sturgeon about Scotland wanting to get back to business. All we're hearing mooted is endless lockdowns, closed borders and even more stringent quarantines.

'Large parts of the hospitality industry will be in ruins if lockdown drags on like it did in 2020.'

Sarah Wood MacGregor – director of Wood Leisure, which has six holiday lodge and caravan parks from Loch Lomond to Deeside – said: 'We lost last Easter and to lose this one too would be a crippling blow.'

A Scottish Government spokesman said 'We're providing more than £3billion in support for businesses affected by restrictions.'

Clock's ticking for businesses starved of cash

COMMENTARY by Marc Crothall

THE vaccine rollout has been a source of optimism but businesses need some signals from the Government as to what the route map out of lockdown looks like.

We want to be able to start taking some bookings with confidence, so customers can be reassured a holiday in Scotland is safe.

As an industry we are very supportive of the need to get rid of this virus and have a sector that is able to trade without interruption; many businesses have invested heavily in PPE, they've adapted to the guidance and now have a footprint to operate safely.

However, we need cash to come into businesses at some point soon because the gap between the fixed cost of overheads and the financial support from the Government is huge and cash reserves are running dry.

It's going to be difficult for businesses to be able to sustain that level of overdraft or borrowing for too much longer.

We need time to plan. There is incremental cost to reopening a business, bringing back staff and buying in stock. Businesses don't want to be faced with a situation where they spend what is likely to be their last few pennies doing that, only to find out that they have to close again soon after.

Whilst we all fully appreciate it is extraordinarily tough times for those on the front line, it is also hugely worrying and massively challenging for those in the tourism sector.

There are hundreds of business owners who are anxious about whether they will survive any long-term closure, and how they might pay bills with little or no support.

We also have to think of the mental health of those who are not just in need of an escape – be it a day out or an overnight stay from their place of lockdown – but also those who want to get back into work.

There are basic fixed costs which are immoveable. A typical pub staying closed has an average cost of around £11,000 a month, but the grant framework payment they get is between £2,000 and £3,000.

Hotels and visitor attractions have much higher costs and are having to absorb that whilst they are closed. For some businesses, the one-off top-up grant does not even cover a single day's burn rate.

We appreciate it has to be safe, and when the industry is permitted to reopen, businesses will be doing everything they can to make enough money to see them through next winter, but the clock is ticking. Being closed for many in the sector will be like going through a fifth winter with nothing.

In a cycle of two years we have only had three to four months to trade anywhere near viably, and in many cases businesses have traded at a loss; they have to make enough in what will again be a limited trading period to see them through to next spring.

A GOOD number in the industry were not expecting to be able to open at Easter, but there are a huge number of businesses, especially in the more rural parts and in the self-catering sector, that were very hopeful they would finally be able to open.

These firms need to get some cash in and find breathing space, so to now not be able to do that has brought stress and anxiety.

They know of course that staying closed is the right thing to do if the scientific evidence points to that, and in doing so it will keep the sector open for the long term.

But this winter has been much more challenging than anyone could have envisaged and emotions are running high.

We all want to get out of this situation and embark upon recovery, but it is critical there is more targeted financial support offered to the sector to help carry us through.

■ *Marc Crothall is the chief executive of the Scottish Tourism Alliance.*