SCOTTISH TOURISM ALLIANCE
Your voice in tourism matters

THE SCOTTISH TOURISM ALLIANCE

BUSINESS BAROMETER & ENERGY SURVEY

KEY FINDINGS

(February 2023)

SCOTTISH TOURISM ALLIANCE
Your voice in tourism matters

BACKGROUND

SURVEY LIVE: 3rd to 19th February 2023

TOTAL RESPONSES: 714

NOTE: For the purposes of clarity, % results have been rounded to the nearest whole number in reporting.

709 responses recorded against **31 local authorities** (5 skipped). Most robust representations came from:

- The Highland Council – 221 responses, 31%
- City of Edinburgh Council – 69 responses, 10%
- Argyll & Bute Council – 60 responses, 8%
- Perth & Kinross Council – 45 responses, 6%
- Dumfries and Galloway Council – 40 responses, 6%
- Fife Council – 40 responses, 6%

709 responses recorded against **18 core sub-sectors** (5 skipped). The most robust sub-sector responses (See p8 for the full sector breakdown):

- Self-catering – 418 responses, 59%
- Bed & breakfast and guest houses – 109 responses, 15%
- Bars/pubs, restaurants, cafes and takeaways – 78 responses,11%
- Hotels and event venues – 53 responses, 7%
- Holiday/Caravan Park – 52 responses, 7%
- Tour operators and tour guides – 43 responses, 6%

SCOTTISH TOURISM ALLIANCE
Your voice in tourism matters

SURVEY QUESTIONS

ABOUT YOU

- Where is your business(es) located?
- Which of the below best describes your tourism business?
- How many full-time and part-time employees does your business have at peak trading?

BUSINESS PERFORMANCE AND COST OF DOING BUSINESS

- How would you describe your business's performance over the whole of 2022 compared to 2019?
- How would you describe your business performance in December 2022, compared to December 2021?
- How optimistic are you about the prospects for your business over the next 12 months?
- How many months' worth of cash reserves does your business currently have?
- What are the main challenges facing your business over the next 12 months?
- Are you facing an increase in your business's rateable values?
- What Government support would help your business in the next 12 months?
- What would be your current top two asks that you would like us to represent to the UK Government?
- What would be your current top two asks that you would like us to represent to the Scottish Government?

SURVEY QUESTIONS (continued)

SCOTTISH TOURISM ALLIANCE
Your voice in tourism matters

ENERGY

- How confident are you that the UK Government's new Energy bills Discount Scheme will protect the industry from energy prices in the 12 months following April 2023?
- In the last quarter, what impact have energy bill costs had on your business (e.g. redundancies, reduced hours, etc)?
- Even with the UK Government's current Energy Bills Relief Scheme, how much extra do you expect to be paying for energy in Q1 2023 compared to Q1 2022 (e.g. 50% more than Q1 2022, or put 0% if there has been no change)
- Are you on a fixed price energy contract?
- If you answered 'yes' to Q18, please state which month/year the contract began?
- If you renewed your energy contract in the past year, were you satisfied with the quote you received from your energy supplier?
- If you received a quote in the past year, did the quote feature any of the below?
- Have you struggled to secure banking or financial products over the past 6 months?
- If you answered 'yes' to Q22, please specify which products.
- If you rely on a form of energy supply other than mains gas and electricity, have you also seen an increase in your energy costs?
- If you answered 'yes' to Q22, please specify which products.
- If you rely on a form of energy supply other than mains gas and electricity, have you also seen an increase in your energy costs?

SCOTTISH TOURISM ALLIANCE
Your voice in tourism matters

SURVEY HEADLINES

BUSINESS PERFORMANCE AND COST OF DOING BUSINESS

- The majority of responses came from those who are self-employed (47%) or are microbusinesses (37%).
- In 2022, encouragingly most respondents made a profit (69%), but 28% said that they were still making less profit than in 2019.
- Concerning prospects for their tourism and hospitality businesses over the next 12 months, almost half (45%) responded that they were either ‘fairly pessimistic’ or ‘very pessimistic’.
- Worryingly, 23% of tourism and hospitality businesses said they had no cash reserves, while 37% had only 1 to 3 months.
- The Short-Term Lets (STLs) Licensing Scheme and energy costs remain the top challenge for tourism and hospitality businesses over the next 12 months. 35% of respondents rated the scheme as their number one challenge, while 25% said energy costs.
- Among all responses received, energy costs was the challenge business most often cited (93%, followed closely behind by the cost of living crisis (84%).
- Nearly half of respondents are facing an increase in their businesses’ rateable values (45%), with 5% experiencing an over 75% increase, and 9% facing a 50% increase.

GOVERNMENT

- Among a series of survey options, pausing new and impending regulation was ranked as the top government measure that can help businesses over the next 12 months (23% of respondents).
- The majority of respondents called for either the scrapping or a pause to the STLs Licensing Scheme and Deposit Return Scheme (DRS) as their top asks of the Scottish Government. A significant number of respondents also called for action on Business Rates, with rates relief to be brought in line with England.
- Other asks of the Scottish Government included better targeted support for tourism businesses; action to improve Scotland’s transport policy, particularly around ferries and roads maintenance; more funding for learning and skills development; and addressing the issue of more affordable housing for workers in rural and island communities.
- Greater support with energy bills and direct intervention to stop energy companies passing on inflated prices/deals to customers were the main asks of the UK Government.
- A number of respondents also called for the UK Government to improve immigration measures; lower VAT for the sector; bring down inflation; lower corporation taxes and business rates; and ensure better distribution of levelling-up funding.

SCOTTISH TOURISM ALLIANCE
Your voice in tourism matters

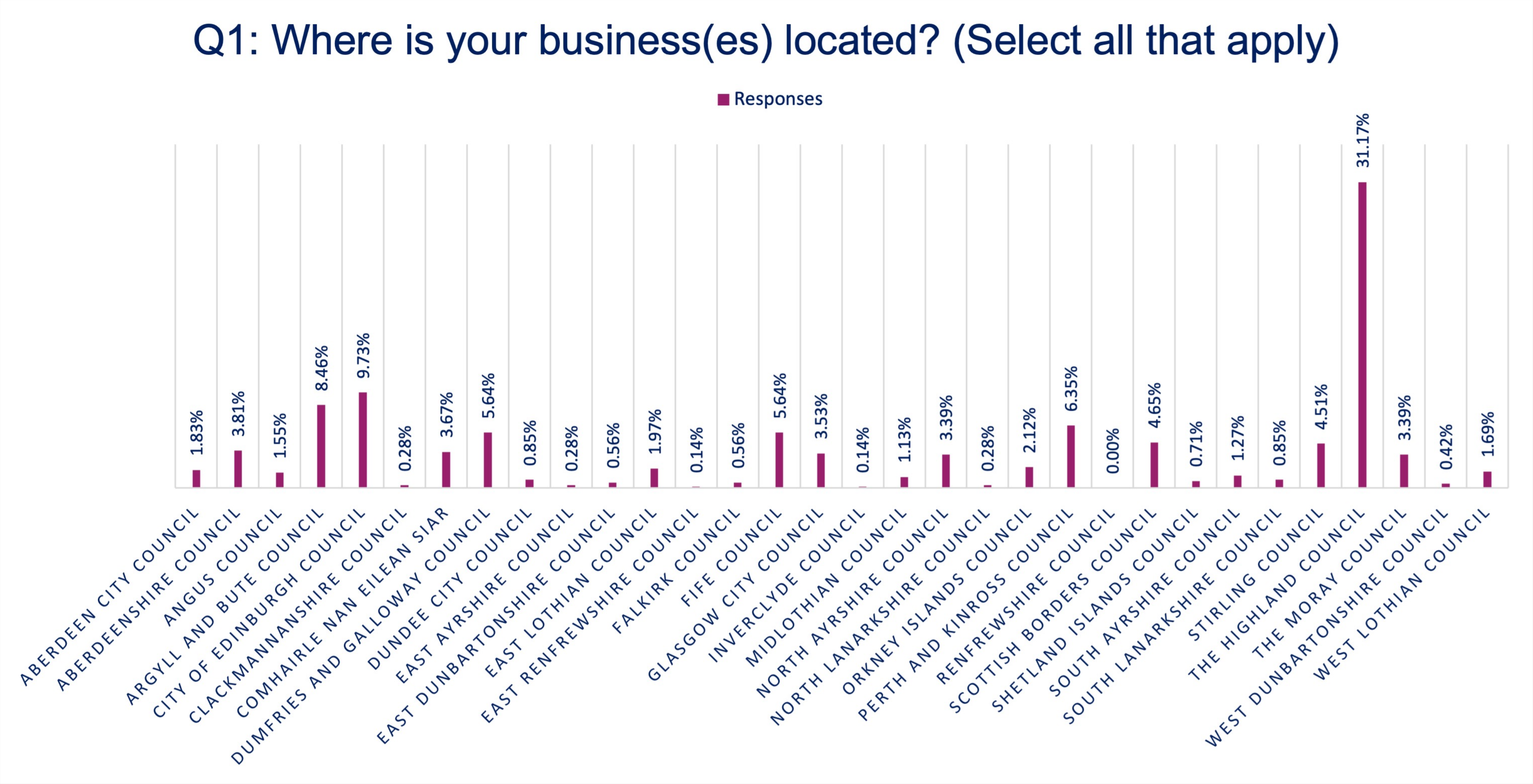
SURVEY HEADLINES (continued)

ENERGY

- 96% of respondents are 'not confident', 'pessimistic' or 'extremely pessimistic' that the UK Government's new Energy Bills Discount Scheme will protect the tourism and hospitality industry from energy prices over the next 12 months.
- Tourism and hospitality businesses shared that the impact of energy bills in the last quarter have included: redundancies; winter closures; reduced hours; a drop in profits and capital reserves; raising prices; an overall impact on local visitor offer; and closure.
- Two respondents reported that they had experienced a 700% and an 800% increase in their energy prices in comparison to the same quarter last year.
- The survey found that those using other forms of energy supplies like liquefied petroleum gas, oil heating, wood pellets, etc were facing exactly the same price pressures, but without UK Government support.
- 86% of respondents who replied that they had renewed their energy contracts in the past year were unsatisfied with the quote they received, with 34% facing increased standing charges and 14% unhappy with the length of the contract period – either longer or shorter than their preference.

- Out of the businesses who answered 'yes' or 'no' to whether they had struggled to secure banking or financial products over the last six months, concerningly 21% answered that they had faced this problem.
- The main issues reported were difficulties securing mortgages; insurance deals; and overdrafts. A number of respondents reported difficulties securing a mortgage against a property without a STL license.
- Positively, 79% of survey participants did not face this problem and were able to access this financial support for their business.

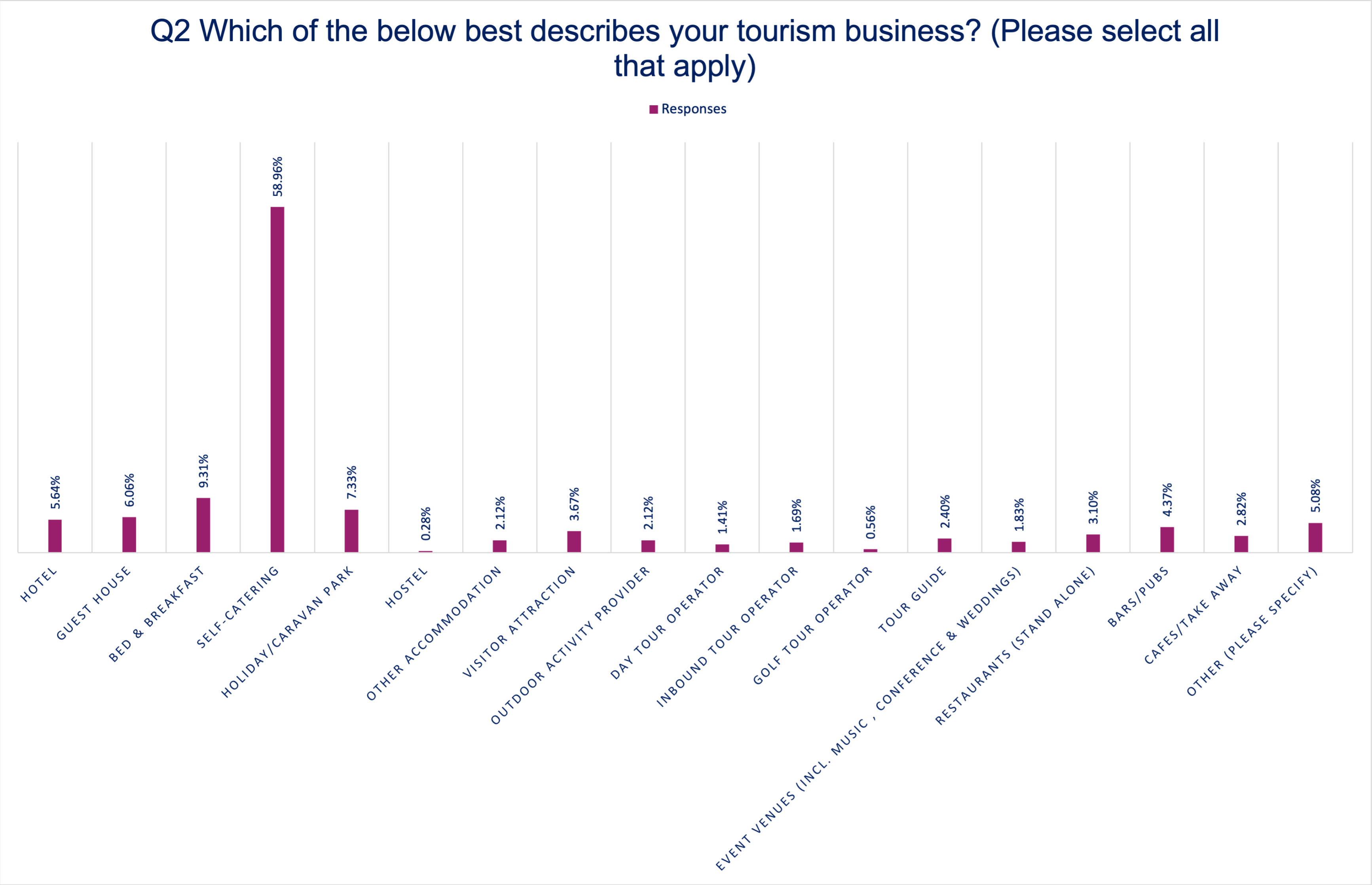
ABOUT US



Total respondents to this question: 709

SCOTTISH TOURISM ALLIANCE
Your voice in tourism matters

ABOUT US



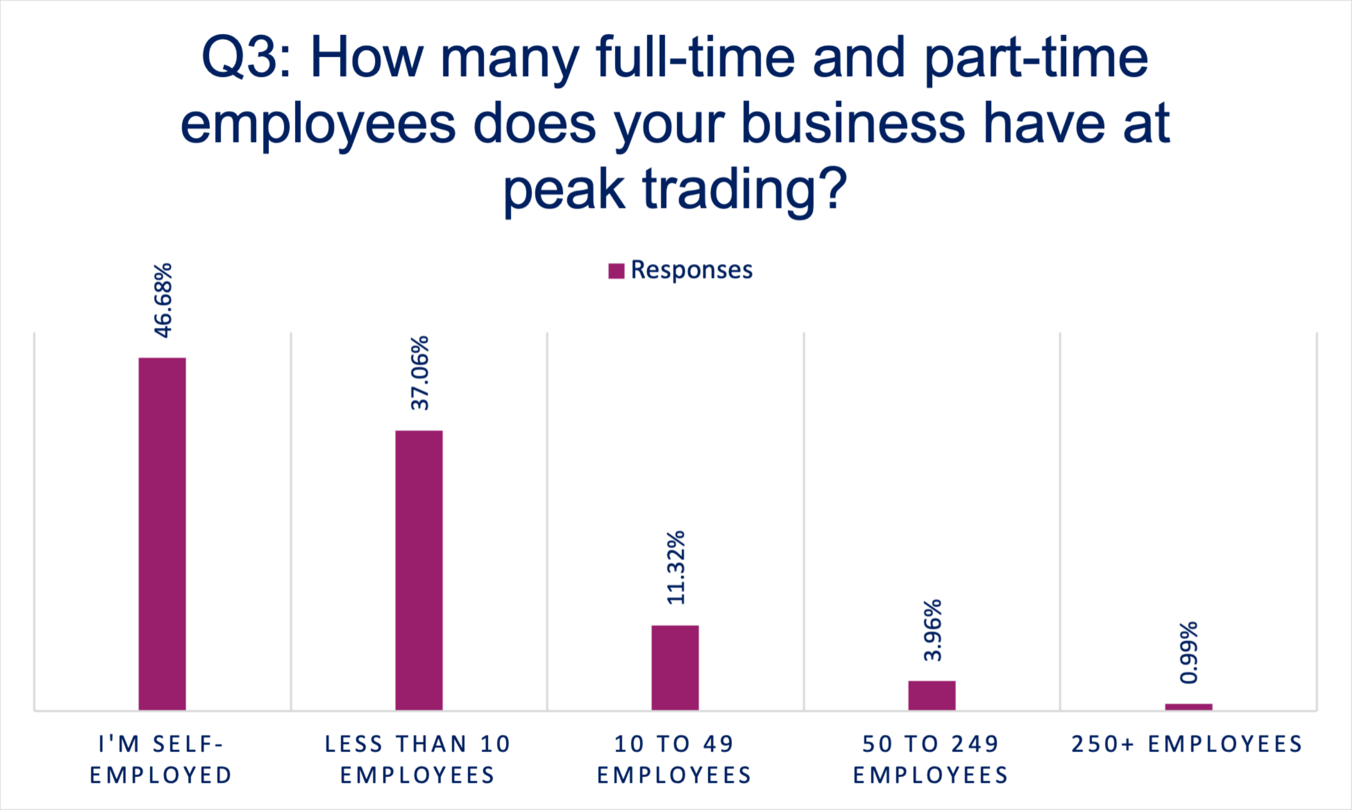
Total respondents to this question: 709

SCOTTISH TOURISM ALLIANCE
Your voice in tourism matters

Other businesses specified included:

- Outdoor expedition sector
- Training and Coaching
- Holiday rental software provider
- Yurts
- Farm tours
- Wildlife identification courses
- Garden Centre and tearoom
- Crafts
- Croft & wool producer
- Retail and wholesale
- Photographic gallery
- Marina
- Hotel resorts and holiday parks
- Agritourism
- Cruise tourism
- Language service provider
- Marine wildlife boats

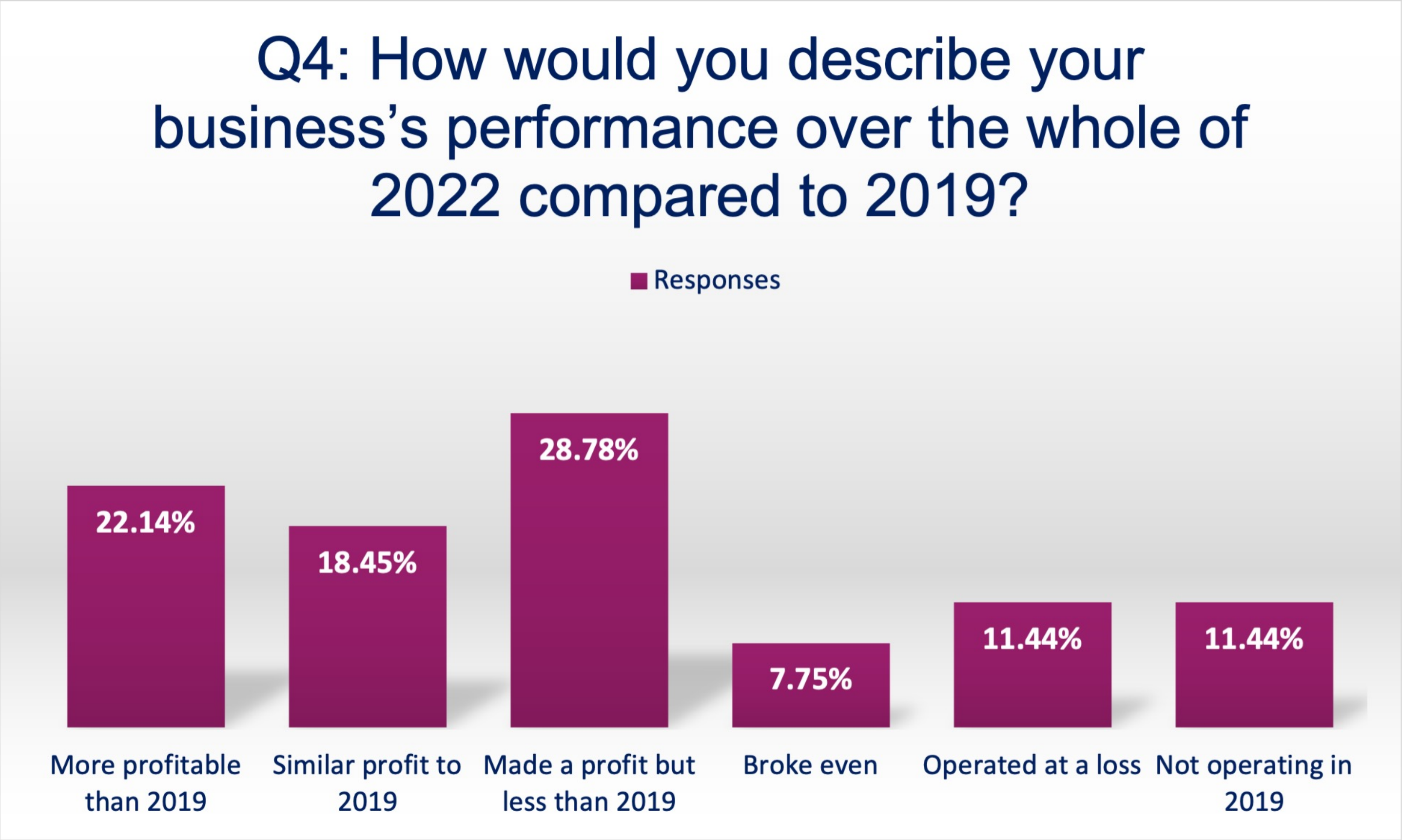
ABOUT US



Total respondents to this question: 707

SCOTTISH TOURISM ALLIANCE
Your voice in tourism matters

BUSINESS PERFORMANCE AND COST OF DOING BUSINESS

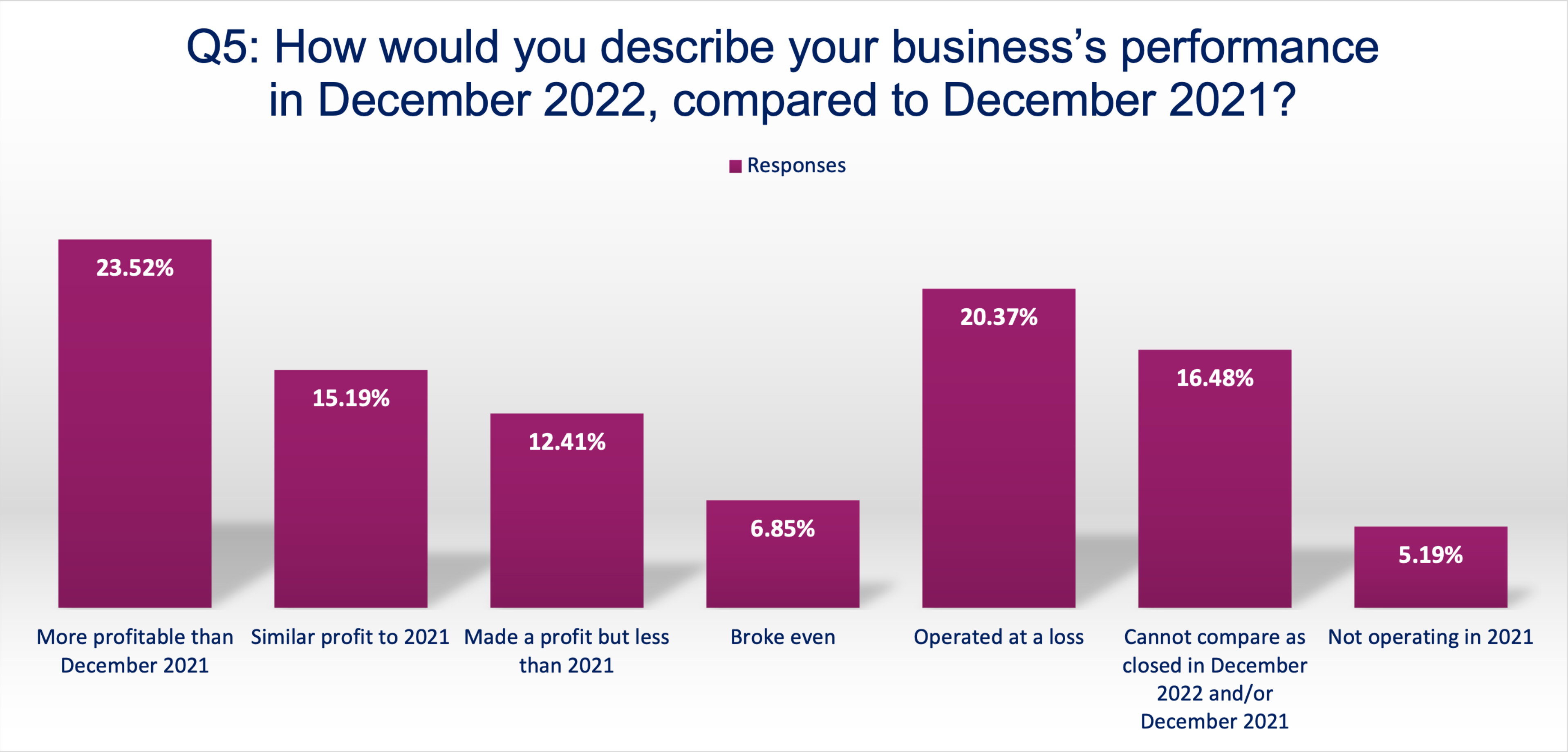


Findings:

- In 2022, most respondents made a profit (69%).
- 22% of the respondents have been more profitable in 2022, compared to 2019.
- However, 28% of respondents were still making less profit than 2019.
- Worryingly, 11% of businesses that responded operated last year at a loss compared to 2019, while 8% broke even.
- It should be noted that those who made a profit may have done so by dramatically cutting costs, such as staff redundancies, as indicated in later findings.

Total respondents to this question: 542

BUSINESS PERFORMANCE AND COST OF DOING BUSINESS



Findings:

- Over half of respondents (51%) have made a profit during the last December period, compared to 2021.
- It is concerning that 20% of respondents have operated at a loss in December 2022, compared to the same period in 2021 – especially as this compares to a period when restrictions were still in place due to the COVID-19 pandemic.
- It indicates how damaging rising energy prices and the cost of living/business crisis have been for the sector, as well as rail strike action.

Total respondents to this question: 540

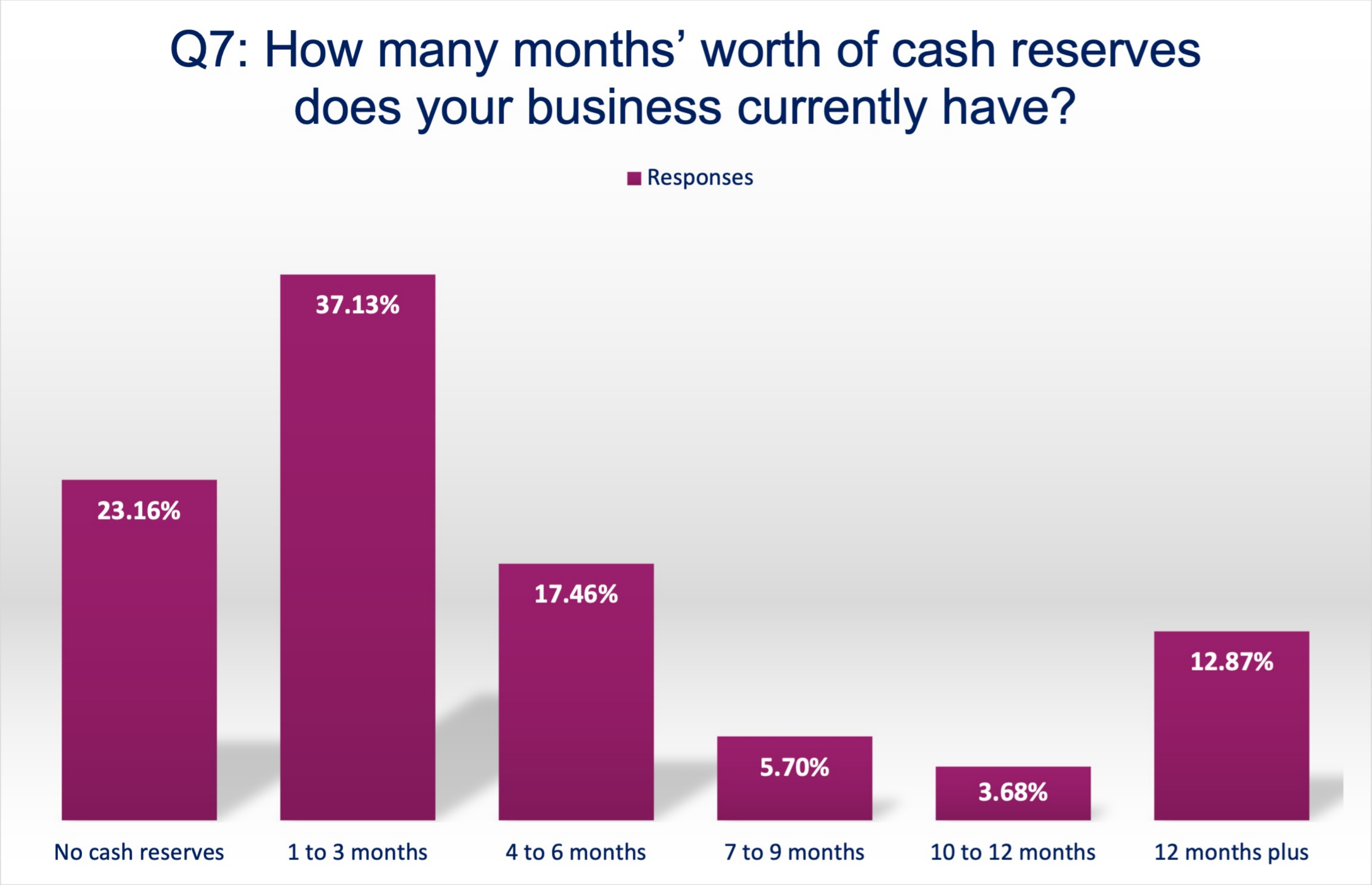
BUSINESS PERFORMANCE AND COST OF DOING BUSINESS

Findings:

- Concerning prospects for their business over the next 12 months, almost half (45%) responded that they were either ‘fairly pessimistic’ or ‘very pessimistic’.
- In comparison, 34% of respondents currently feel ‘very optimistic’ or ‘fairly optimistic’.

Total respondents to this question: 543

BUSINESS PERFORMANCE AND COST OF DOING BUSINESS



Findings:

- Demonstrating the continued fragility and recovery of many tourism and hospitality businesses, 23% of respondents said they had no cash reserves, while 37% had only 1 to 3 months.
- It should be noted that although the findings from question 4 showed most respondents had made a profit in 2022, the limited amount of cash reserves indicates that recent years have not been profitable.

Total respondents to this question: 544

BUSINESS PERFORMANCE AND COST OF DOING BUSINESS

SCOTTISH TOURISM ALLIANCE
Your voice in tourism matters

Q8: What are the main challenges facing your business over the next 12 months? (please rank your top 6 challenges only, in order of priority)

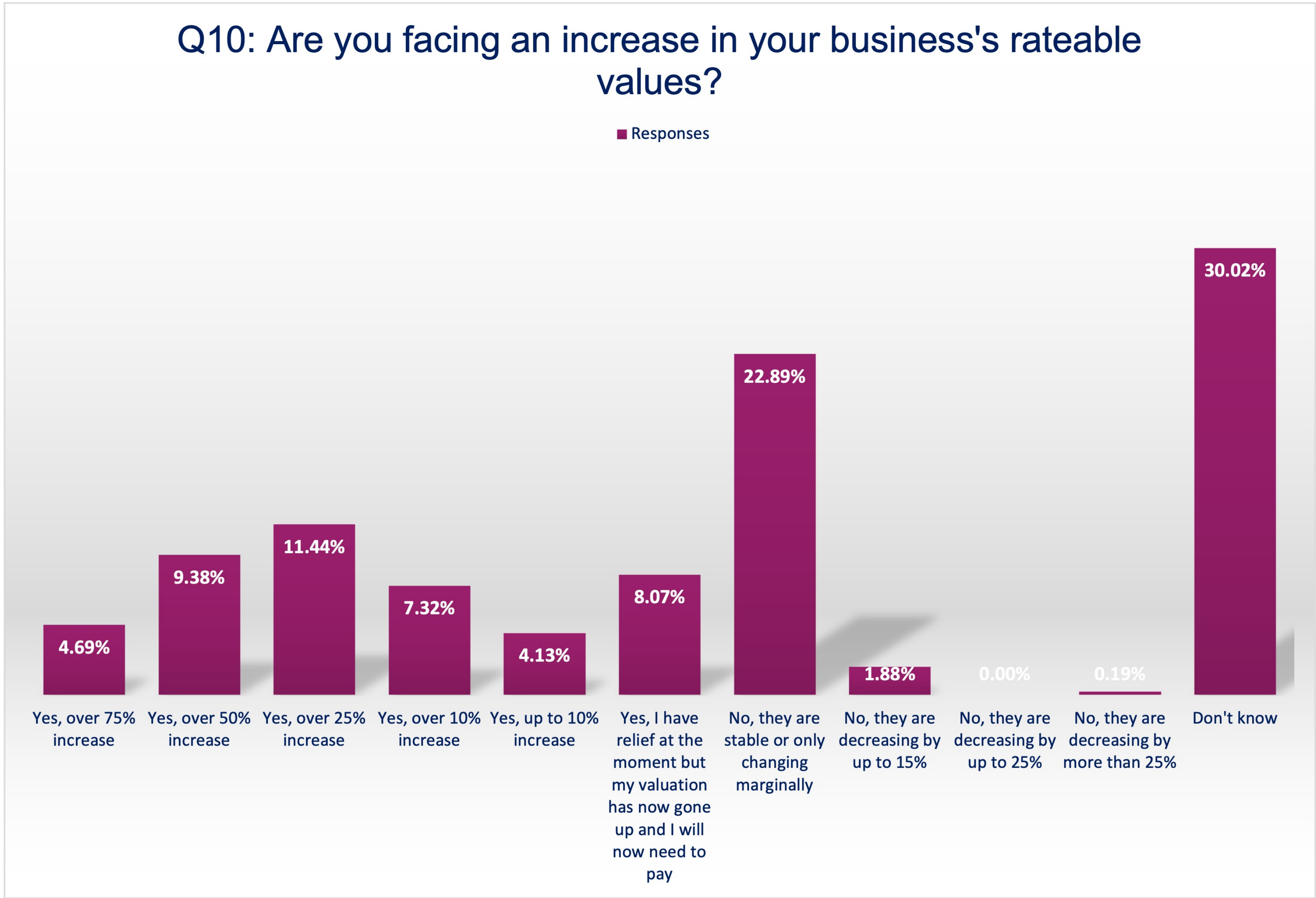
Findings:

- The STLs Licensing Scheme and energy costs were ranked the top challenges for tourism businesses over the next 12 months (59% of survey respondents were self-catering).*
- 35% of respondents rated the STLs Licensing Scheme as their number one challenge, while 25% said energy costs.
- Among all responses received, energy costs was the challenge business most often cited (93%), followed closely behind by the cost of living crisis (84%).
- Consumer demand (75%) and consumer confidence (72%) were raised as significant challenge for tourism and hospitality businesses over the next 12 months.
- Business rates was also frequently ranked as one of the main challenges facing businesses (62%).
- Other challenges raised that were not listed in the survey included: ferries; roads planning control zones; collapse of local economy; own person health; weather damage; border control delays and processes; local area marketing; repair and maintenance costs; and affordable accommodation.

*** Note: It has been reported that some respondents had technical problems using the ranking system during the survey. As a result, the survey analysis has focused on the total challenges ranked to be as representative as possible. In forthcoming STA surveys, a ranking system will not be used.**

Total respondents to this question: 555

BUSINESS PERFORMANCE AND COST OF DOING BUSINESS



Total respondents to this question: 533

SCOTTISH TOURISM ALLIANCE

Your voice in tourism matters

Findings:

- Nearly half of respondents are facing an increase in their businesses' rateable values (45%), with 5% experiencing an over 75% increase, and 9% facing a 50% increase.
- 8% of businesses that responded currently have rates relief but their valuation has now gone up and they will need to start paying it.

GOVERNMENT

SCOTTISH TOURISM ALLIANCE
Your voice in tourism matters

Q11: What Government support would help your business in the next 12 months? (Please rate each on a rating scale of 1-10, with 1 meaning no positive impact and 10 meaning very significant positive impact)

Findings:

- Among a series of survey options, pausing new and impending regulation was ranked as the top government measure that can have a very significant positive impact for tourism and hospitality businesses over the next 12 months (23%).*
- Business rates relief (11%), more generous energy support scheme (10%) and a VAT reduction (10%) were also ranked as government measures that would have a very significant positive impact.
- Other support suggested by survey participants included: reversing Brexit; urgently addressing ferry capacity and reliability; government funding to support the hospitality business, especially small businesses; restored access to the Small Business Bonus Scheme; addressing planning control zones; tackling inflation and introducing lower taxes (personal and business); an increase in the VAT liability threshold; improved internet access; and another scheme similar to 'Eat Out to Help Out'.

*** Note: It has been reported that some respondents had technical problems using the rating system during the survey, as a result the survey findings for Q11 should be interpreted with caution. In forthcoming STA surveys, a rating system will not be used.**

Total respondents to this question: 537

SCOTTISH TOURISM ALLIANCE

Your voice in tourism matters

GOVERNMENT

Q13: What would be your current top two asks that you would like us to represent to the UK Government?

Responses can be themed under the following headings:

- **HELP WITH ENERGY BILLS AND WORK WITH ENERGY COMPANIES TO REDUCE BILLS –** *“Do something to limit excessive profits made by utility companies and do more to limit increases passed on to businesses and members of the public for gas and electricity. Don't do this by allowing utility companies to increase prices unchecked or subsidise them when a windfall tax should be paid.”*
- **LOWER VAT –** *“Consider reducing VAT for smaller businesses and serviced-based tourism businesses. VAT is squeezing our profits completely and will slow our recovery considerably. If VAT was even 5% lower, we could take on more staff, generating more jobs and more spend.”*
- **BRING DOWN INFLATION –** *“Keep inflation and prices under control so as not to deter inbound travellers. Allow EU visitors to use their ID cards and not have to acquire a passport.”*
- **REDUCE CORPORATION TAXES AND BUSINESS RATES –** *"Stop overtaxing the sector.”*
- **IMMIGRATION MEASURES** – *“Free up migration to allow people to come and fill the jobs. Pay attention to the fact that Scotland is very different to the home counties.”*
- **LEVELLING UP FUNDING FAIRLY DISTRIBUTED –** *“Help support infrastructure through much larger levelling up fund interventions on roads, visitor centres, parking, etc.”*
- **DEFERRAL OF CORONAVIRUS BUSINESS INTERRUPTION LOANS AND BOUNCE BACK LOAN REPAYMENTS –** *“Please give us more time to recover from COVID and the current economic crisis to get hospitality back up and running.”*

Total respondents to this question: 453

SCOTTISH TOURISM ALLIANCE
Your voice in tourism matters

Q13: What would be your current top two asks that you would like us to represent to the UK Government? (continued)

Other responses include:

- *“Remote and rural communities need better infrastructure to support our tourism businesses – focus is always on the cities and towns, but our communities are dying.”*
- *“Accept EU and other countries for work visas of 48 months with extension of up to 5 years if employed in areas who need staff.”*
- *“Do more to encourage tourism from domestic and international sources.”*
- *“Fair electricity charges across the whole country, including the Highlands, where much of the green energy is generated, yet we find ours the highest cost of the whole country. Ensure that visitors coming to the UK are not penalised for visiting Scotland by any excess charges. We are already paying considerably more for electricity and fuel here, so even it up!”*
- *“Support with energy prices, particularly gas for off-grid businesses such as ours. Our gas bill alone is now double our mortgage.”*
- *“Lower VAT on hospitality – given the decline in customer demand because of the cost of living combined with higher costs across the board, the pub is losing thousands of pounds a week. We can't put prices up enough to cover the costs because people can't afford to pay it, so a lower VAT might at least encourage a few more people out and a little more profit for us (or rather, fewer losses!).”*
- *“Reduce VAT to 5% on all aspects for hospitality like in the Republic of Ireland. And why since the last lockdown has the Government ignored every single letter and request / demand from hospitality bodies. There has been no help since VAT rose from 5%.”*

GOVERNMENT

SCOTTISH TOURISM ALLIANCE
Your voice in tourism matters

Q14: What would be your current top two asks that you would like us to represent to the Scottish Government?

Responses can be themed under the following headings:

- **SCRAP/PAUSE THE REGULATORY BURDENS FACING BUSINESS (STLs; DRS; VISITOR LEVY LEGISLATION PLANS; PROPOSED ALCOHOL ADVERTISING RESTRICTIONS)** – *"Stop using sledgehammers to crack nuts! Get a grip of proportionate regulation!"*
- **RETHINK THE STLs LICENSING SCHEME – "***Suspend STL licensing until detailed analysis of impact on the sector is possible and full Covid recovery is achieved."*
- **PAUSE BUSINESS RATES INCREASE AND INCREASE RATES RELIEF, IN LINE WITH ENGLAND –** *"Pass on the rates support that Scottish business should be getting. It's unfair that this hasn't been shared."*
- **IMPROVED TRANSPORT POLICY (INCLUDING IMPROVED FERRY CAPACITY, BETTER ROAD MAINTENANCE AND AN END TO RAIL STRIKES) –** *"Urgently increase the ferry capacity for 2023 before the islands are dismissed as a destination. If they add capacity, it would stimulate demand."*
- **MORE INVESTMENT IN LEARNING & SKILLS AND ATTRACTING PEOPLE TO WORK IN THE INDUSTRY –** "*Campaign and funding to encourage people to work in hospitality and tourism and deliver training."*
- **GREATER SUPPORT FOR TOURISM (PARTICULARLY SMALL BUSINESSES AND IN RURAL/REMOTE AREAS) –** *"More support from Scottish Government and not feeling alienated by them, as tourism no longer seems important to them."*
- **AFFORDABLE HOUSING FOR WORKERS IN ISLAND AND RURAL COMMUNITIES –** *"Stop blaming STLs for failures in affordable housing policies."*

Total respondents to this question: 473

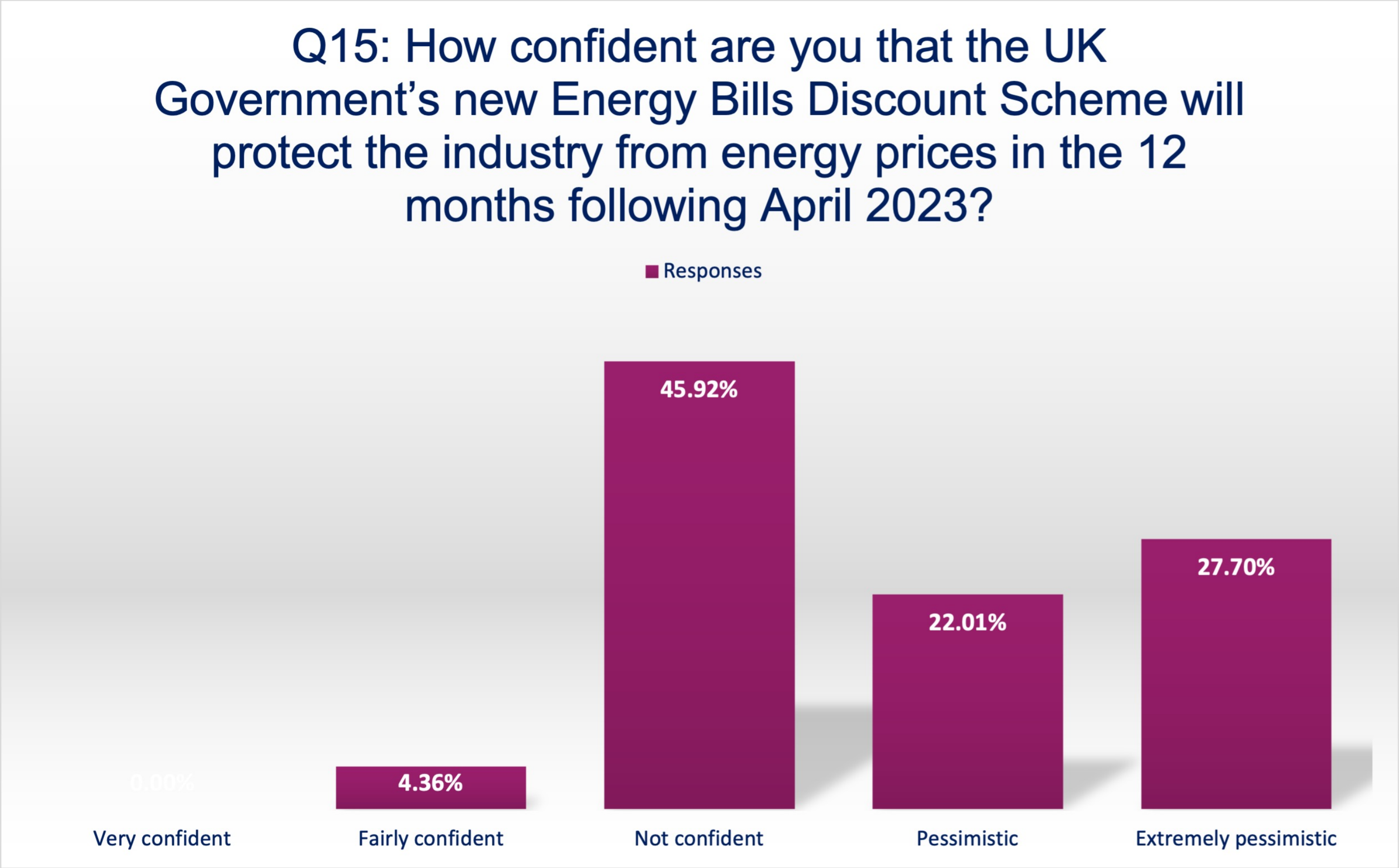
SCOTTISH TOURISM ALLIANCE
Your voice in tourism matters

Q14: What would be your current top two asks that you would like us to represent to the Scottish Government? (continued)

Other responses include:

- *"Scottish Government has lost its way in addressing the needs of business and needs to partner with them closely, properly and urgently. Business interests in tourism and hospitality are being ignored by Scottish Government and that seriously threatens survival and recovery of the Scottish tourism sector."*
- *"Pause and re-evaluate all tourism and hospitality legislation, particularly the STL, tourism tax and bottle return schemes. Pause business rates increase and increase business rates relief so it remains a tapered relief to a much higher level."*
- *"They need to be sympathetic to a very important industry – start listening to people who work in it. Before introducing legislation take and listen to expert advice, not people in politics."*
- *"Match UK support/discounts offered to the rest of the UK for non-domestic rates. Why is Scotland being penalised? Focus their effort on supporting Scottish businesses and the economy rather than focusing most of their efforts on independence!"*
- *"The rail strikes have a knock-on effect to the tourism sector with passengers being unable travel by train, which is significantly affecting cancellations for us. How long will you let this continue?"*
- *"Refocus on important matters like making Scotland an attractive place for business with lower taxation and incentives to attract new businesses and help existing ones to grow."*
- *"Stop Scottish Government from implementing regional tourist taxes. Ensure they are made fair across board. Push for proper licensing of pop-up campsites, car parks and other places where motorhomes are being permitted to park for small charges or free to make regulations fair across the board."*
- *"Take care not to kill the golden goose. Too much legislation can put people off even trying. Be proud of the sector."*

ENERGY



Findings:

- 96% of respondents are 'not confident', 'pessimistic' or 'extremely pessimistic' that the UK Government's new Energy Bills Discount Scheme will protect the tourism and hospitality industry from energy prices over the next 12 months.
- 28% reported that they were 'extremely pessimistic' about energy bill protection beyond April 2023.

Total respondents to this question: 527

ENERGY

Q16: In the last quarter, what impact have energy bill costs had on your business (e.g. redundancies, reduced hours, etc.)?

The following impacts on businesses due to rising energy bills costs were repeatedly raised by respondents:

- **REDUNDANCIES –** *"Energy prices have increased from approximately £1,000 to £9,500 per year. We have laid off two part-time staff to compensate, and are about to pay off a third one."*
- **REDUCED HOURS –** *"Drastically reduced hours open and complete withdrawal of all staff through the winter months."*
- **WINTER CLOSURES –** *"Massive increase in costs have caused us to consider closing hostels down over the winter period where previously many would be available for exclusive use."*
- **LOCAL VISITOR OFFER IMPACTED –** *"Everything locally has closed for the winter – all small businesses, restaurants, pubs, tour operators. You are not viable when open alone. Bad news travels fast; confidence is lost in the destination."*
- **REDUCED PROFIT –** *"Everything we buy has increased enormously. Our operational costs have rocketed. Bookings have never been so bad in 35 years."*
- **REDUCED CAPITAL RESERVES –** *"Increased monthly payments have eaten into our money reserves which we need to get us through the winter months. It has left us feeling vulnerable and considering closing the business. We offer B&B in a rural area which is much sought after during tourism season."*
- **INCREASED PRICES –** *"We have had to increase our prices, which has affected bookings. Our electric bill over the last quarter was £1,279; the same quarter last year was £330!"*

(continued next page)

Total respondents to this question: 307

Q16: In the last quarter, what impact have energy bill costs had on your business (e.g. redundancies, reduced hours, etc.)? (continued)

- **FORCED TO REDUCE ENERGY USE –** *"Customers are suffering as we cannot afford to heat the building."*
- **PROPERTY DAMAGE –** *"Damage to property as we have to turn all the power off when we are away so mould problems. Less staff hours, redundancies, difficult conversations with customers and lots of stress."*
- **MAINTENANCE AND REPAIRS ON HOLD –** *"Closed self-catering for the winter as fuel costs were too high but now we're financially limping through to spring when we can open. It means we can't invest in business and employ local tradespeople."*
- **BUSINESS GROWTH PAUSED –** *"The increased energy costs our business has experienced have forced us to shelve any reinvestment, growth, capital spend projects to ensure our business survives and cash flow remains positive."*
- **SECOND INCOME NEEDED –** *"Massively reduced our profit margin to the point where we've had to take on additional paid employment. Making a living from our business alone has become non-viable."*
- **CLOSURE –** *"Our combined energy bills for gas and electric are now over £5,000 a month. To put this into perspective our mortgage is £1,750 a month and when we started five years ago our energy bills were a third of what they are now. We are now operating at a loss and are considering closing the pub at the end of the summer unless energy prices improve."*

ENERGY

SCOTTISH TOURISM ALLIANCE
Your voice in tourism matters

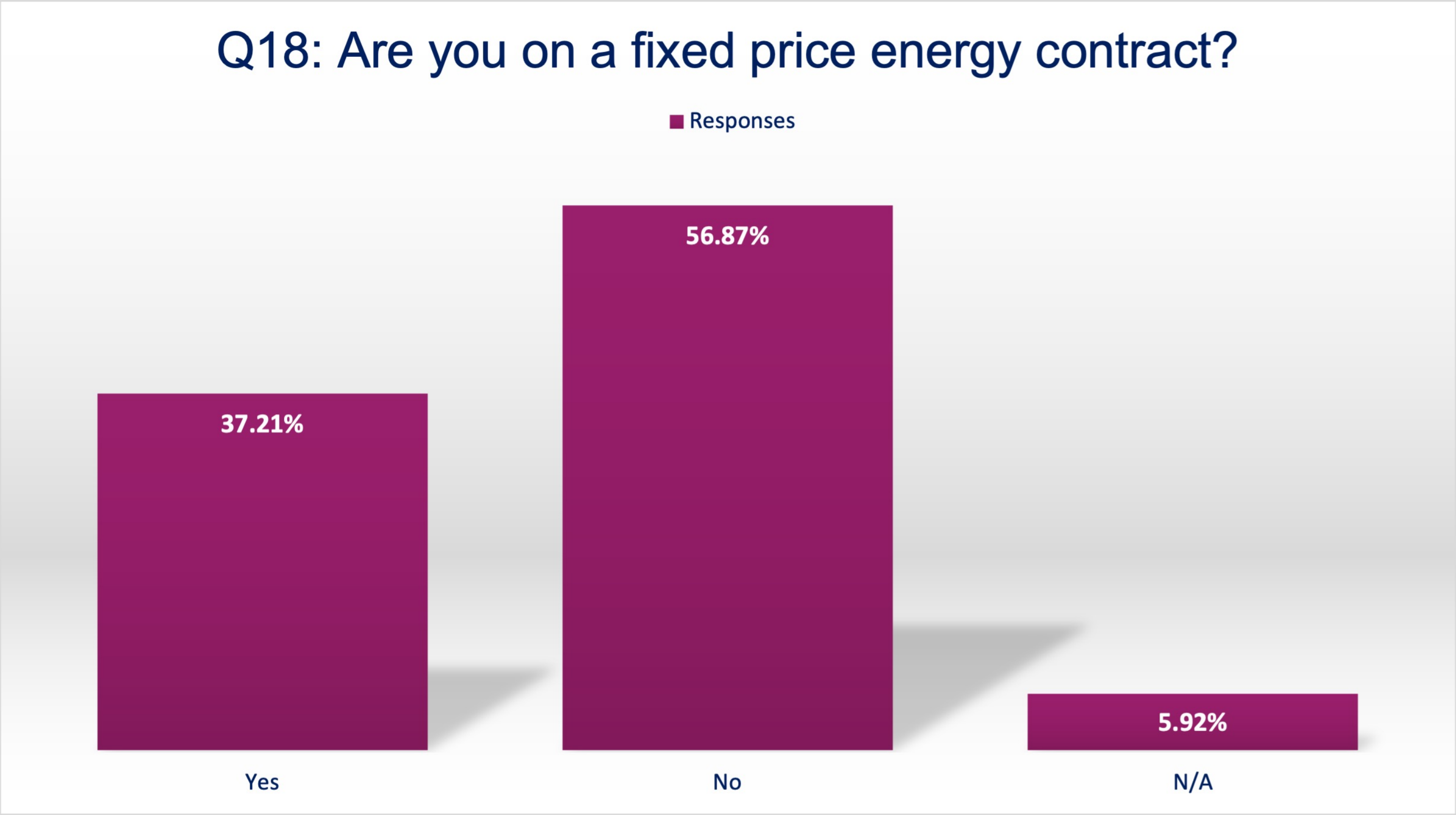
Q17: Even with the UK Government's current Energy Bills Relief Scheme, how much extra do you expect to be paying for energy in Q1 2023 compared to Q1 2022?

Findings:

- Even with support from the UK Government's current Energy Bills Relief Scheme, two respondents reported that they expect their bills to rise by 700% and 800% respectively for Q1 of 2023, compared to the same period last year.
- Two businesses fed back that they estimate paying up to 500% more for energy, while three expected to pay up to 400% extra compared to Q1 2022.
- A significant number of survey participants responded that they expected their energy bills to have risen by between 100 and 300% (an estimated quarter of respondents) .

Total respondents to this question: 421

ENERGY



Total respondents to this question: 524

Findings:

- Over half of respondents do not have a fixed price energy contract (298 respondents, 57%), in comparison to 37% (195 respondents) with a fixed deal.
- For question 19, we asked those on a fixed price contract to share which month/year the contract began.
- Several respondents renewed their fixed deal contracts in the last 6-12 months.
- Feedback to Q19 included:
  - "We are just reaching the end of a 5-year fix – terrified at the prospect of a huge increase coming out way next month."
  - "Old scheme expires this month. New one kicks in for 12 months at four times the cost of previous scheme!"

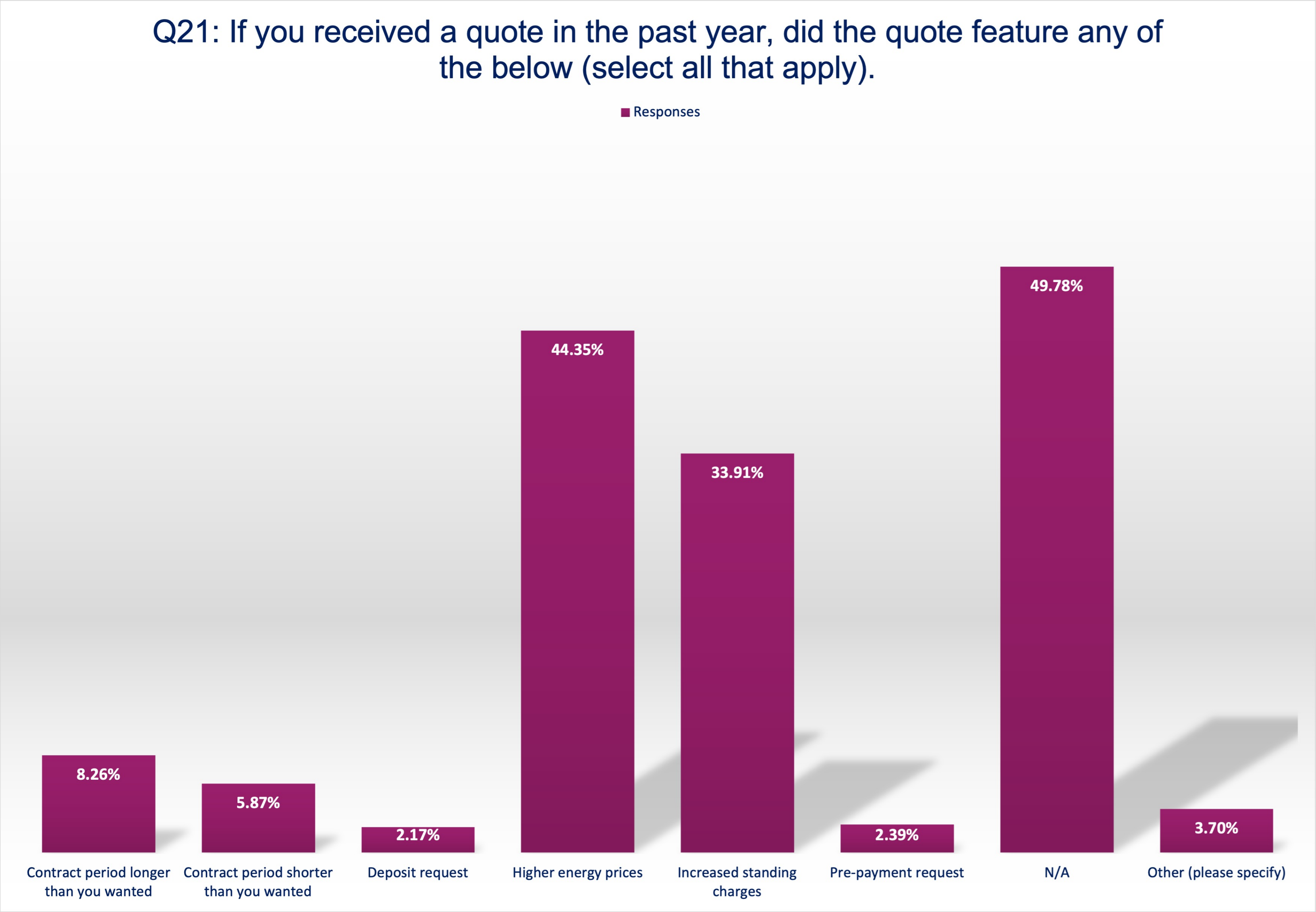
ENERGY

Total respondents to this question: 498

Findings:

- 86% of respondents who replied that they had renewed their energy contract in the past year were unsatisfied with the quote they received (172 out 200 respondents who had renewed).
- Comments from survey participants who responded 'Other' included:
  - "All quotes were unacceptable so we're on a standard variable tariff."
  - "Higher than hoped but little choice."
  - "We used a broker to secure the best price which resulted in us switching supplier."
  - "There wasn't a lot of choice. Suppliers have the upper hand."
  - "Struggling to get an answer from the energy company."

ENERGY



Total respondents to this question: 460

SCOTTISH TOURISM ALLIANCE

Your voice in tourism matters

Findings:

- Unsurprisingly, 44% of businesses that received an energy quote in the past year were charged higher energy prices.
- A significant proportion (156 respondents, 34%) faced increased standing charges.
- 14% reported that they were unhappy about the length of the contract period, which was either longer or shorter than their preference (65 respondents).
- 5% of respondents faced a deposit request or pre-payment request (21 respondents).

Q22: Have you struggled to secure banking or financial products over the past 6 months (e.g. insurance, bank loans, mortgages)?

Findings:

- Out of the 274 respondents who answered ‘yes’ or ‘no’ to whether they had struggled to secure banking or financial products over the last six months, concerningly 21% answered that they had faced this problem (58 respondents).
- Positively, 79% did not face this problem and were able to access this financial support for their business (216 respondents).

Total respondents to this question: 519

Q23: If you answered 'yes' to Q22, please specify which products.

Findings:

- Struggling to secure a mortgage deal was regularly cited. Reasons cited were not being able to secure a mortgage against a short-term let property without an STL license as a condition precedent for the loan; and being penalised for taking out a Bounce Back Loan.
- One respondent said: *"The Scottish Government does not understand its own legislation. You cannot get a mortgage without a short-term let license for an STL property. You cannot get a license as a prospective purchaser without being in occupation of that property as a tenant or licensee. Contrary to Scot Government view – it is not possible to apply for a license simply with the permission of the 'host'. The permission is required in addition to being in occupation as say tenant or licensee."*
- A number of respondents have also had problems securing insurance deals and found themselves paying much more. One person said: *"It's impossible to obtain alternative insurance quotations. Other companies are simply not interested."*
- Several respondents have had problems securing and increasing their bank overdrafts. One person responded: *"Requested a £30K overdraft for 6/12 months. Usually no problem and helps us through the winter; not authorised this year."*
- Securing loans was also cited by many respondents. One person commented: *"Loan banks we have banked with for 10yrs and 20yrs would not lend to us. Even though we have two successful businesses."*
- One respondent said that they had been financially penalised for taking a mortgage break during COVID-19 pandemic.
- Other banking and financial products that survey participants struggled to secure included: credit cards; car leasing; business finance; and balance transfers.

Total respondents to this question: 57

ENERGY

Q24: If you rely on a form of energy supply other than mains gas and electricity, have you also seen an increase in your energy costs? Please give details.

Findings:

- The answers given clearly demonstrate the financial pressure on businesses using other forms of energy than mains gas and electricity are exactly the same, but with little or no UK Government support to alleviate this cost burden on these businesses.
- This is having a particular negative impact on tourism and hospitality businesses in remote rural and island communities with no access to mains gas supplies.
- A significant number of respondents replied that they used liquefied petroleum gas (LPG) and heating oil. A number noted that they were yet to receive promised support from the UK Government with heating oil costs, while there is no energy relief support for those using LPG.
- Respondents also reported that the cost of buying coal, wooden logs, woodchip and kindle have *"rocketed in price too".*
- The high price of wood pellets used for biomass boilers was also mentioned by a number of respondents.
- Others also reported rises in bottled butane and propane gas, while one person said kerosene for heating had increased by 150%.
- *"There has been an increase in the wood chip cost for our biomass boiler and the oil for the back-up boiler of 250%."*
- *"Demand has outstripped our 'in-house' capacity to supply firewood, so have had to buy stocks in at additional expense – and the local supply has run out. People are being forced to burn unseasoned wood."*
- *"We relied on LPG gas to operate our kitchens. Supply shortages caused a real problem with Mossmorran diverting supplies to Europe for higher returns. 400% cost increase since pre-pandemic."*

Total respondents to this question: 219

SCOTTISH TOURISM ALLIANCE

Your voice in tourism matters

The Scottish Tourism Alliance would like to thank everyone who took the time to contribute to this important piece of evidence gathering.