



**Chairman's Report AGM**  
**7<sup>th</sup> November**  
**Perth Concert Hall**

Tourism in Scotland is generally doing well – national marketing campaigns are working successfully, helped by exchange rates favouring holidays in the UK for both our own residents as well as attracting overseas visitors. The rise of Online Travel Agencies (OTAs) has encouraged many new visitors to our sector, and made it easy to book. Many more people are discovering the advantages of self-catering, something ASSC has been working to promote since its formation almost 40 years ago.

For ASSC this has been a year of change as we became a Company Limited by Guarantee, run by a Board of Directors. For the Membership, we are continuing as we were, but the underlying legal framework and terms of business have changed. We started our successful *Paws for a Break* Growth Fund project last summer, and this came to an end in summer 2017 allowing us an opportunity to reassess staffing. My thanks to our Vice Chairman Linda Battinson for driving the project forwards and Ali Campbell for his marketing work – it is being showcased as a model campaign. The Association continues to grow, with membership numbers healthy and increasing. We continue to work with our Partners for Business whose support is vital to allow us to increase our activities in terms of member benefits and representation. ASSC commissioned the first ever independent comprehensive volume and value study of our sector, reporting in April 2017, an immensely valuable tool for us to use.

With all this success, there is certainly much to celebrate, but for us in the short-term letting business, there are more dark clouds on the horizon than we have ever faced. Globally, tourism is suddenly being seen as a scourge – heaving masses of visitors are accused of ruining the things they have come to see, stretching infrastructure and annoying the locals - open topped busses were attacked in Spain this summer. In Scotland, questions are being asked about 'overtourism': clogged roads on Skye, poor infrastructure on the North Coast 500, cruise liner passengers swamping Orkney and a full-to-bursting Edinburgh at Festival time raised the issue of numbers of visitors and whether a tourism tax should be levied to help pay for visitors' needs. ASSC's broad position is that Scotland is already expensive enough, so a bed tax would be unwelcome, but we expect increasing pressure to see this introduced. The recent announcement of a £6m rural infrastructure fund acknowledges the problem, and VisitScotland's renewed drive to spread out visitors more evenly will be helpful steps.

On top of this, the rise of the collaborative economy is a major challenge to the lawmakers, with the Scottish Government well through its own inquiry (it reports at the end of the year). ASSC has been very active convincing Government that the traditional sector we represent is the 'Black Cab' of the short-term letting world – we run responsible tourism businesses, obey laws, pay our taxes and we don't need further regulation. In reality, it is more complicated of course, with many

self-catering businesses using the collaborative economy as one of several routes to market. We remain very concerned that any regulations to control the collaborative economy will impact us all, making it harder and more costly to do business.

Criticism of the number of short-term lets in some areas, like Central Edinburgh is mounting, with Andy Wightman MSP spearheading a campaign for a mechanism to control the numbers in an area. We are accused of reducing the housing stock, causing loss of residential amenity and generating problems of party flats and noise. There are increasing murmurings that short-term let businesses should not be eligible for the Small Business Bonus scheme. ASSC has launched a Code of Conduct for businesses to adopt to be good neighbours and avoid local problems. This has been well received all round, but we expect more pressure to be put on our sector in the Planning Bill coming up.

Rest assured, we are fighting tooth and nail on all these, and other fronts just now, including the withdrawal of the exemption for Energy Performance Certificates (EPCs) for holiday lets, the Scottish Government's interpretation of the European Directive. The fact that short term lets are exempt in Denmark, Germany, Sweden and Italy - with approval from the European Commission, AND that there are exemptions in England seems to cut no ice in Holyrood: we are told that Scotland is right and the others are wrong, so go fight it in Europe!

The rates revaluation produced the highest average rise in rateable value in a tourism sector. Working with our colleagues at Scottish Tourism Alliance, British Hospitality Association and Scottish Licenced Trade Association, we immediately pushed for and received capped relief for 2017/18, and then extended to 2018/19. Many short-term let businesses have rateable values below the Small Business Bonus Scheme thresholds, but others are now over a cliff edge suddenly paying significant bills. The Assessors have been very helpful and we understand their methodology, but it is disappointing that the resulting rateable values do not seem to reflect reality. We were involved in the Barclay review, and welcome the proposed change to 3 year revaluations. We will be active in any reassessment of the SBBS.

While we remain concerned about political uncertainty and Brexit in particular, we can take heart that despite challenges ahead, self-catering was far and away the most confident tourism sector in the Scottish Tourism Alliance's October survey. Visitors are intrigued and charmed by Scotland, and we need to work hard to future-proof our sector so that we can continue to welcome them through our doors.

Finally, thank you notes: to our Board for guidance, to our staff - membership secretary Eleanor, Linda and Ali for work on Growth Fund and webmaster duties, and to Chief Executive Fiona who has been a veritable powerhouse representing our sector with energetic dynamism. We would not be an organisation without our members, large and small right across the country. Thank you for your continued support to allow us to represent you. I wish you every success in 2018.

David Smythe

Chairman

11<sup>th</sup> October 2017