



Chief Executive's Report 2021

Introduction

We all know that coronavirus has posed an unprecedented challenge to the entire tourism sector, including self-catering. From the outset of the pandemic and the introduction of lockdown, the self-catering sector as a whole has demonstrated considerable leadership and perseverance, as we responsibly closed our businesses, at great personal and financial cost.

Throughout the pandemic and as we navigate out of it into the 'New Extraordinary', the ASSC has fought the corner of its members, kept them informed of unfolding developments over multiple platforms, and engaged with leading tourism stakeholders, MSPs and the Scottish Government to ensure the best outcome possible for our sector. The ASSC continues to be at the top table with key leadership groups and the Scottish Government to address the crisis as it unfolds.

We have liaised with Regional DMOs and tourism industry bodies to ensure self-catering is aligned with other businesses. We have held conversations around progress, restart and recovery activity and we have also had meetings with local authority representatives, COSLA and regional bodies such as South of Scotland Enterprise to understand how we can work with them to support long-term economic recovery.

We have worked closely with the Scottish Government Tourism Directorate, engaged with Cabinet Secretaries and their officials, as well as cross party MSPs throughout the pandemic.

At the same time, we have faced the biggest challenge the sector has ever faced: short-term let licensing legislation alongside planning control area legislation.

Self-catering is hugely important to Scottish tourism, in terms of jobs, revenue, and the world-class experiences we're able to offer our guests.

To be such an essential part of Scotland's tourism mix is even more remarkable for our sector, which generates £867 million every year, when we consider that most self-caterers operate small to medium-sized businesses.

Scotland's professional self-caterers are diligent, conscientious, and considerate business people who are unjustly accused of all sorts of things for which there is not a single scrap of credible evidence.

We do not, for example, "hollow out communities", as some have claimed, but rather are part of local communities across Scotland and have been for many, many years.

Membership

Membership continues to grow, and retention is high. Turnover from subscriptions increased in 2020-21 by 60%, and we currently have 1,398 members. This compares to 632 at the same point in 2019. This is an incredible increase in membership.

Self-catering operators throughout Scotland have become increasingly reliant on the support and guidance provided by the ASSC which helps them to navigate challenges and support their business.

This has enabled the ASSC to become the leading source of up to date information not only for members but also many other tourism industry subscribers (and indeed guests) – our news networks are hugely valued with engagement levels being well above average.

We continue to provide guidance to members on legal compliance, best practice and industry updates. The team continue to respond to member concerns and queries on a daily basis. A huge thanks to Eleanor and Mel for fielding all of this correspondence via multiple channels.

ASSC Talks

We have worked up a new programme of ASSC Talks commencing in September 2021. Our webinars continue to elicit high numbers, with an unexpectedly high attendance rate. Some 3,459 people have registered for the webinars in the last 12 months, with an 83.52% attendance, and a further 4,271 having watched the recordings on our YouTube channel.

Business Partnerships

Our business partnerships continue to grow, thanks to the dedicated hard work of Joyce and Mel. The ASSC is currently supported by:

- 12 Partners for Business
- 6 Trade Supplier Plus
- 56 Trade Suppliers
- We are delighted that Tunnock's have continued to support the ASSC as Key ASSC Talks Sponsor

We could not do what we do without the support of our partners. They allow us to fund the lobbying that we need to do to protect our sector, whilst at the same time protecting our wonderful, professional members. With thanks to all of our partners and Trade Suppliers.

Strategy Review

The ASSC's current vision is "to place our members at the forefront of a professional, vibrant and prosperous Scottish self-catering sector". The ASSC's purpose is "to represent and promote the interests of all self-catering accommodation businesses in Scotland".

The operational landscape for the ASSC has undergone radical change since the last iteration of a Strategic Plan in 2018. Aside from a healthy growth in the membership and introduction of new services and IT infrastructure to meet member demand, the self-catering sector has juggled with a range of externalities including, for example, the rapid expansion of the OTAs and increasing scrutiny from the Scottish Government and associated lobbying requirements in terms of the TVL, Licensing and Planning Control Zone legislation. Then there is Covid-19 and the impact the pandemic continues to have on the sector's short, medium and long-term future and recovery.

The ASSC Board has committed to undertake the development of a new Strategic Planning Framework for publication in January 2022, with implementation by February 2022. This can then be used to guide and inform focused annual business planning and support the monitoring, review and evaluation of performance against agreed criteria.

ASSC Membership Platform

The ASSC is confident of financial sustainability going forwards, despite the pandemic. However, the ASSC's long-term recovery and sustainability now relies on the appropriate administration and retention of our much-enlarged membership.

With increased membership comes increased pressure and demands to manage membership numbers, engagement and member benefits, particularly with just a small team of 3.

Our online platforms and administration processes are outdated, cumbersome and no longer fit for purpose – they require daily TLC just to function. Time and resource which we simply don't have to be effective. In addition, our fabulous Membership Secretary, Eleanor McBain, is due to retire in 2021, after 18 years at the ASSC. We simply cannot pass the current system on to a replacement, and we need to look at what that replacement role might be to future-proof the Association.

We have therefore identified a critical need for capital investment in a new membership platform to administer the 1000+ membership, with associated technology stack to underpin a sustainable and agile growth of the organisation.

Supported by a £50,000 Sector & Destination Operational & Market Readiness Fund from VisitScotland, we are now working with Tall Projects on the development of a new membership system.

We intend to use this fund to support a refresh of ASSC's use of digital technology. This refresh will be founded on two core objectives:

- Meeting the real and revised needs of our members, setting them up to maximise their recovery and future success
- Simplifying and optimising our operational activity, enabling our team to focus our efforts on delivering improved member value.

The ASSC team has signed off the design framework of the homepage and the design team is now working on the rest of the site. Tech stacks are being developed on the basis of the scoping work done earlier in the new year.

EmbraceScotland Redevelopment and Marketing Campaign

The EmbraceScotland website is the marketing platform exclusive to ASSC Members who are self-catering operators. Many of our members like to promote their property on the EmbraceScotland Website as it is commission free and enables the visitor to book direct with the owner and build relationships from the start of their booking.

We are delighted that the ASSC was successful in securing a further £60,000 from VisitScotland's highly over-subscribed Destination & Sector Marketing Fund, which will underpin the re-positioning and redevelopment of EmbraceScotland, alongside a robust marketing campaign, which will be a huge benefit to marketing members and the sector as a whole.

EmbraceScotland will be the conduit to deliver a national, co-ordinated marketing effort to put self-catering in Scotland front of mind for domestic consumers year-round, and to encourage visitors during shoulder seasons. This in turn will support the re-building of local visitor economies.

All promotional activities are designed to raise the profile of the self-catering industry and promote its unique features, whilst driving traffic to the EmbraceScotland website and ASSC Members' businesses increasing commission free bookings via the EmbraceScotland website direct to Members. In doing so, the ASSC will also further its reputation as the only trade body representing Scotland's self-catering sector, building its profile and increasing membership.

Covid-19

As a sector, we are now fully open to business, and long may that last. Larger properties that rely on accommodating multiple households were finally able to open unrestricted on 9th August, 15 weeks after the rest of the tourism sector.

We continue to advise members in terms of changes to regulations, guidance and other matters pertaining to the pandemic including the move to beyond level zero, revised cleaning protocols and what to do if guests become ill on the premises.

Revised Cleaning Protocols

[The Association of Scotland's Self-Caterers welcomed updated Scottish Government guidance on keeping guests safe during COVID-19](#) earlier in the year.

By working proactively with Public Health Scotland and policy-makers, the ASSC has clarified the self-catering sector's approach to its cleaning protocols and specifically what operators should do if a guest tests positive while staying with them.

Throughout the COVID-19 pandemic, ASSC members have behaved in an exemplary way; adhering to all restrictions, often encountering heavy and lasting personal costs while doing so. Thank you to each and every one of our members for their commitment to looking after our guests, our staff and our communities.

Economic Impact of Self-Catering Sector to the Scottish Economy

The self-catering sector is worth £867million each year to the Scottish economy. The UK wide study, commissioned by the ASSC and PASC UK, and generously sponsored by SuperControl, will be central to ongoing discussions going forwards. We are hugely thankful to SuperControl for supporting this report.

The Economic Impact of Self-Catering Sector to the Scottish Economy has shown that in 2019 the 17,794 traditional self-catering properties across Scotland not only generated £672million in economic activity but encouraged visitors to spend £867million, thereby benefiting other related businesses in tourism and hospitality. The report, carried out by the specialists at Frontline also found that short-term letting in Scotland supports 23,979 full-time equivalent jobs.

Figures were taken from 2019 in order to understand how the sector, which has been battered by the COVID-19 pandemic, performs under normal circumstances.

Self-caterers have faced significant financial problems throughout the pandemic, with many operating at hugely reduced capacity and others facing the prospect of having to close their businesses entirely. In 2020, due to Covid-19 restrictions, there was a £253 million plunge in guest spend and a drop in the total economic contribution the sector made of around a third (29%).

Short-Term Let Regulation: The Problem

There is agreement from nearly all stakeholders about the need for some form of regulation, just not on what form this should take. Despite the years of discussion, there is still uncertainty about what the Scottish Government are seeking to achieve through their legislation. While meaning to focus on health and safety, it has widened to include issues like housing and anti-social behaviour:

- If it is about health and safety – this can be addressed through our exemption proposal.
- If it is about anti-social behaviour – enforce existing legislation such as the Antisocial Behaviour Notices (Houses Used for Holiday Purposes) (Scotland) Order 2011.
- If it is about housing – introduce short-term let control zones using Planning Act regulations and empirical data to underpin any proposals.

Moreover, there remains a lack of understanding of what makes up the short-term letting landscape. The current approach does not properly distinguish between full-time professional businesses and amateur operators. Professionals, like those engaged in self-catering, have been a longstanding presence in Scotland for decades, especially rural/remote communities. However, the rapid development of the collaborative economy resulted in a proliferation of new operators, many of which are unaware of the legislation designed to ensure the safety of tourism accommodation and are outside the inspection regimes of enforcement bodies.

Short-Term Let Regulation: The Solution

There is a need for an effective and proportionate regulatory framework to enable small tourism businesses to recover from Covid-19, providing the correct balance between supporting a £867m self-catering industry and responding to community concerns in some parts of Scotland. Moreover, the ASSC is not averse to regulation – it has led the way in promoting policy recommendations to the Scottish

Government – and the industry wants to work with policymakers to make these regulations work for all affected stakeholders.

Instead of the Scottish Government's disproportionate approach, the ASSC's proposals will allow them to introduce a licensing regime yet at the same time also mitigate the impact for professional operators who already play by the rules in terms of legal compliance, and work within a Code of Conduct:

- The ASSC's proposals help make the crucial distinction between bona fide businesses like self-catering, who have been a mainstay of the tourist offering in Scotland for decades, and amateur operators facilitated by online platforms; and will also deal with the worst excesses of the latter who cause the most disruption for residents and who are insufficiently regulated.
- It supports minimum quality standards for the industry, based on existing H&S legislation, assures properties are safe and compliant and removes the uncertainty of licences being refused or revoked, whilst properly focusing attention on irresponsible behaviour management.
- The ASSC's proposal allows for a suitable compromise between differing positions: the Scottish Government can introduce licensing but exclude registered accommodation. Rather than scrapping licensing altogether, Article 3(1) of the Order could be amended to provide that an activity is exempt from the licence requirement if it is in respect of "registered accommodation" and the "registration conditions" (essentially the existing mandatory licensing conditions) are being complied with.
- This would have the effect of providing a robust and legally effective regulatory regime – if an owner fails to register or having registered fails to comply with the mandatory conditions, they would no longer be exempt from the licensing requirement and would therefore be in breach of the Licensing Order with resulting legal penalties.
- A register could be introduced via the Development of Tourism Act 1969 and eligible businesses could register and become exempt, thus avoiding business closures and harmful knock-on effects.

Short-Term Let Planning Control Areas

The ASSC understands why in certain circumstances, Control Areas could be a useful tool in geographically confined areas where STLs are demonstrably reducing the availability of affordable housing stock for local residents (though we note that there are other ways this can be addressed including using existing powers).

However, we have a number of issues and suggestions. It needs to be quite clear that, as is normally the case, a requirement for planning permission cannot apply retrospectively to properties currently being used for short term lets.

The creation of Control Areas should be initiated in response to properly representative requests from local communities, or at minimum they should be properly consulted by Council considering creating Control Areas, and underpinned by robust empirical data.

Conclusion

As your sector representatives, we have been, and continue to be at every meeting relevant to your business, well briefed and focused. We are at the top table, ensuring that your interests are heard, whether that top table is Scottish Government, UK Government, local authority or Destination Management Organisation. We are here to cover your back.

I am incredibly proud of my very small team, who continue to work passionately and tirelessly for the self-catering sector in Scotland, for whom I am forever thankful:

- Eleanor McBain (Membership Secretary)
- Melanie Allen (Communications and Company Secretary).

We are constantly supported by:

- Joyce Borthwick (ASSC Events)
- Ali Campbell (Brand and Design Consultant)
- Halogen Communications (PR and Public Affairs Consultants).

In 2018, we agreed our vision to place our members at the forefront of a professional, vibrant and prosperous Scottish self-catering sector. The ASSC's purpose is 'to represent and promote the interests of all self-catering accommodation businesses in Scotland'.

Self-catering has experienced many challenges in recent years, over and above other tourism sectors, and there are significant challenges looming in the future. Our members need our support more now than ever and we are committed to ensuring that the ASSC has the stability to plan for the challenges ahead.

As we move into a new phase for the association, with an aspiration to re-visit our strategic plan for the mid to longer term, I am more than confident that we have achieved our 2018 vision, and confident that we will continue to exceed expectation for our members in the coming years.

Fiona Campbell
Chief Executive

5th October 2021

