



Scottish Tourism – Act now to save us.

Anyone who thinks that the Scottish tourist economy isn't under severe threat should have been put right by the demise of Specialist Leisure Group. This took with it eight Scottish hotels including The Bay Tarbet Hotel overlooking Loch Lomond. I highlight this one because it sits in a village of around 250 people, making it similar to many other communities facing serious problems. A quick count up on the internet suggests there are around 4600 villages in mainland Scotland. The Government population survey from 2018 suggests that around half the 5.5 million population live in villages. About 3000 of those villages have populations less than 500, meaning there are a million people in villages like Tarbet. Add to that the demise of Bay Claymore hotel a mile or so away in Arrochar and the results for this small rural area could be catastrophic.

Let's look at another village, Crianlarich. Now I happen to have an interest in a small hotel there, so far we are ok, but it won't take much to change that position. A hotelier in Cleveleys near Blackpool was interviewed by the BBC the other day and summed it up neatly. "This came when we were most vulnerable, no business can survive two winters back to back". And this is where we need to draw a distinction between hospitality and tourism; Hospitality in towns and cities is by and large an all year round business. The tourist economy, mostly rural, is totally reliant on a summer season financing the lean winter period. Covid 19 came along in March when finances were at their weakest. For us the weekend that lockdown began we had our first big event of the year booked. So instead of taking several thousand pounds we lost a similar amount because all the food and drink for the event had been bought in advance, will mostly never be used but still needs to be paid for. So, without being able to open to a meaningful degree soon, many establishments like ours are in real trouble.

Taking Crianlarich as an example, this has us, another smaller pub, a Best Western hotel, a youth hostel, and 4 Bed and Breakfasts. Population is around 200 people and most of these are connected with tourism in one way or another. Let's do a thought experiment. As I say we are ok for now, but that could change easily. Our hotel has around 8000 guests stay with us in an average year. From Easter to early October pretty much every room in the village is full every night, so if our business was suddenly not there it isn't a matter of people could stay somewhere else, they just wouldn't come to Crianlarich. Without us the options for eating in the village are hugely reduced. Again only so many tables at the Pub and The Best Western, many of the B&B guests would go outside the village to eat, taking their spending power with them. The village shop would suffer from a sharp reduction in visitors, as would other local businesses. We are the largest employer of local people, as the Best Western imports many of its staff. Over 70% of our spending is within 40 miles of Crianlarich. Our supply chain must already be under threat, the hotel chain that has just gone under shares our laundry supplier. Where do we go for that if they fail? What about our local produce suppliers all reliant on a string of customers just like us?



Scottish Enterprise says that tourism directly employs 218,000 people, which seems like an underestimate. Indirectly another half a million people service the tourism industry making 25% of the Scottish workforce directly at risk from the fallout of Covid19. Many more jobs would be threatened by a large scale collapse in tourism. The massively oversubscribed Pivotal Enterprise Resilience Fund has failed to put a dent in the problem. Over 50% of government backed loan applications are not approved. If these businesses start to default on mortgages and loans, that causes problems for the banks and lenders. The chances of realising any return from selling a failed business seem slim, but that is unlikely to stop the short sighted banks foreclosing. With many businesses unlikely to open in any meaningful fashion before winter, the failure rate will be huge, and villages like Crianlarich all over Scotland will turn into employment wastelands full of boarded up buildings.

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