



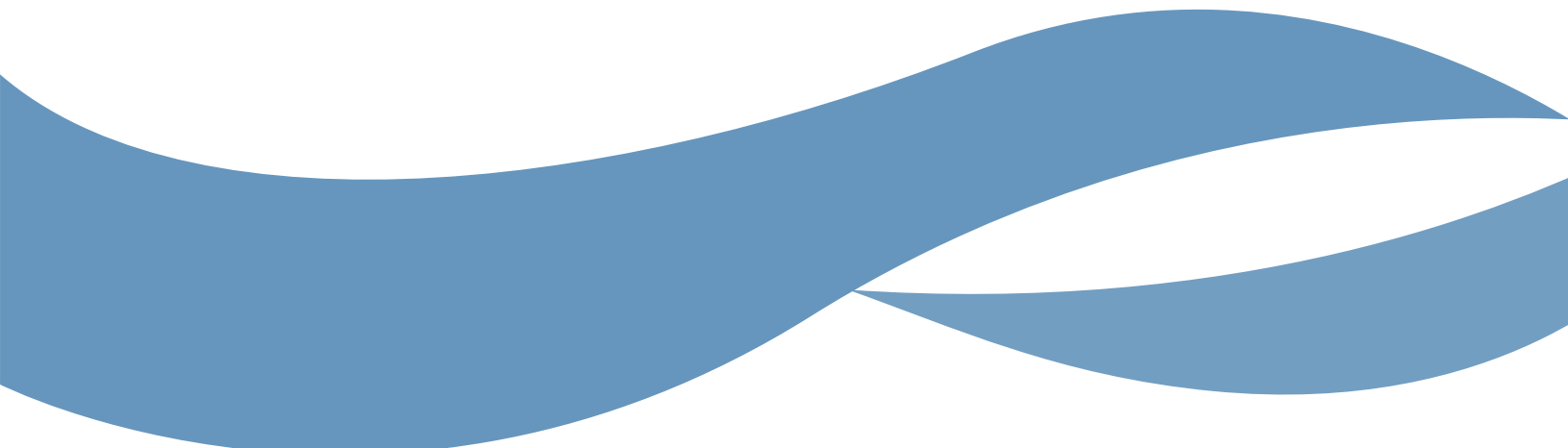
COVID-19 – impact on Scotland’s businesses, workers and economy

Written Evidence to Economy, Energy & Fair Work Committee

26 June 2020

About Scottish Land & Estates

At Scottish Land & Estates (SLE) our work helps to ensure that rural Scotland thrives. We are a membership organisation for landowners, rural businesses, and rural professionals. We promote the wide range of benefits land-based businesses provide: tourist attractions, leisure facilities and landscapes enjoyed by the public, as well as housing, employment, tourism & enterprise and farming opportunities. We represent the interests of our members and wider rural Scotland to the UK and Scottish Governments to help ensure that policy and legislation reflects the unique requirements of rural Scotland and its communities.



Impacts on rural Scotland

Rural businesses are facing an extremely challenging period of uncertainty due to the spread of Covid-19. Looking to the year ahead, it is abundantly clear that the coronavirus pandemic is going to have a devastating impact on Scotland's rural business sector, and coupled with the uncertainty surrounding the UK's exit from the EU, we expect rural communities to be put under unprecedented and unrelenting pressure.

Businesses will be required to re-think business plans and understand cash flow situations, adding more time and stress to business managers. In a recent members survey, 90% of SLE members felt they could re-open at least part of their business while observing social distancing guidelines. However, many caveated that by stating it would mean reduced income and increased costs, so although open they would still have major issues.

The tourism and leisure industry were among the first to feel the impacts of the pandemic, but the longer social restrictions continue to be implemented across Scotland, then more rural industries are likely to suffer negative economic consequences.

Scotland has a huge number of fragile, remote communities, and a lengthy period of economic harm will result in further social and mental harm to these communities.

Employment

Rural areas have above average elderly populations, which require greater support; they have fewer medical establishments and have greater sparsity and distance. All these factors put increased pressure on clinicians and care workers. Employment in rural areas is also disproportionately in essential roles. Hospitals and local authorities are often the largest employers in smaller towns, and residential care homes are frequently the largest employer in a village. In a survey of members, it was found that 39% of SLE members responding had made use of the furlough scheme. This was mainly in leisure and tourism related roles.

Many vital rural businesses would have benefitted from the ability to furlough their staff partially from the start of the scheme. Establishments such as small-scale abattoirs, builders' merchants and quarries remained closed because they could not afford to keep staff on full time and do not have the option to furlough them partially. We do welcome the change to this in the coming months which should allow businesses to begin to rebuild their businesses gradually.

Business Support

We are appreciative of the support that the Scottish and UK Government have introduced, and we have received positive feedback from many of our members regarding this support. However, many businesses still fell through the cracks and are ineligible for support. This seems to be disproportionately

affecting rural businesses which are more likely to be diversified. The Scottish Government has historically encouraged rural businesses to diversify. However, it is this diversification which is often causing them to be ineligible for support. Caveats in support for self-catering means many rural businesses are ineligible. For example, the fact that only companies which derive most of their income from self-catering are ineligible. Similarly, the criteria that companies must have suffered a 50% loss of current or projected revenue could be demanding for a diversified enterprise to demonstrate. When surveyed 42% of members felt they were ineligible for grant funding.

We are particularly concerned about the liability for shooting rates. During the strict lockdown, these rights cannot be exercised, but ratepayers are still being asked to pay their rates bill. We have asked the Scottish Government to consider including shooting rates in the 100% rates relief given to other businesses.

We are also still to see the full impact of the Pivotal Enterprise Resilience Fund and the Creative, Tourism & Hospitality Enterprises Hardship Fund, it is still too soon to understand how the evaluation by enterprise companies is carried out and how successful member businesses are in applying for them, although initially it does look like there was a relatively high percentage of member applications which were rejected.

Shooting Rates & Country Sports Tourism

Along with all other businesses, sporting enterprises or individuals who pay shooting rates will qualify for the 1.6% rates relief all non-domestic properties in Scotland will get. To further support businesses who are facing extraordinary pressures, the Scottish Government introduced further rates reliefs for the year 2020/21 in respect of the Coronavirus outbreak. These businesses should receive 100% relief. However, shooting and country sports tourism has not been included on this list of supported businesses.

Country sports tourism businesses will be able to apply to the Scottish Government's Creative, Tourism & Hospitality Enterprises Hardship Fund. Grants of up to £25,000 can be accessed in addition to the Coronavirus Job Retention Scheme. The Creative, Tourism & Hospitality Enterprises Hardship Fund is for small creative, tourism and hospitality companies that are experiencing hardship because they are ineligible for other COVID-19 government grant support.

Due to the outdoor nature of country sports tourism, it would seem logical to re-open these activities as early as possible, their ability to operate with space between people make them an ideal way to enable money to come into rural areas. The knock-on effect on other local businesses will also be beneficial.

Supply Chain

We have concerns about the functioning of the agri-food supply chain. Members have reported a huge disparity in price for produce dependant on the intended destination of their produce. In the dairy

sector some processors were short of milk for a retail setting while others were dumping milk which was destined for catering. The uncertainty major issues with many costs passed back to the primary producer. The impact of this on the sustainability of some businesses will be long term. Similarly, in the red meat sectors there were large swings in prices paid, again due to uncertainty.

Wider supply chain issues have been reported in relation to the availability of hauliers to collect grain and deliver feed but also in the delivery of key agricultural inputs, including fuel.

SLE members have reported delays in the delivery of veterinary medicines, which can usually be delivered in 48 hours, taking almost a week. Similarly, parts for machinery as well as building materials have been delayed or simply not available due to the shutting down of parts of the supply chain.

The fragility of supply chains has highlighted the lack of infrastructure and processing capacity in Scotland. The reliance on a small number of central, or even cross border, processing sites has put Scottish producers at a disadvantage. The ability to process and add value to commodity products could have a positive effect on the economy as well as create jobs.

Access

It is important for good physical and mental wellbeing that people have access to the countryside during the pandemic, however 49% of members responding to our survey reported a significant increase in the numbers of people using the countryside with apparent disregard for their responsibilities. Reports relate to people not adhering to reasonable signage requests, building unauthorised mountain bike trails, dogs not being kept on leads, and litter and dog faeces being left behind.

There have been multiple issues of misreporting of English guidance to a Scottish audience, similarly there have been mixed messages from the UK and Scottish government. We are not suggesting one is right and the other wrong however information must be presented clearly to the public to ensure they, and the press, can digest and understand it readily. This information is still being issued by large news outlets and is inconsistent with the guidance issued from the Scottish Government and SNH that people should “stay local”. Several SLE members have reported cars parked on verges and on farm tracks as rural car parks are closed. Members are anxious that the increase in people travelling to rural areas may increase their, their employees and their tenants’ risk of catching Covid-19. Some have reported members of the public coming too close to tenants’ cottages, where tenants are self-isolating.

Members have reported issues of aggression and on rare occasions threats and violence to people simply trying to go about their jobs in rural areas. Trying to explain to members of the public about the need to allow crops to grow, keeping dogs under control and not to walk through gardens and working yards has been a constant source of frustration.

Rural Crime

There has been a recent spike in fly-tipping across Scotland. Due to this time of national crisis, local authorities and private contractors have been forced to temporarily reduce or suspend some services due to staff shortages and a need to prioritise and protect public health. It is expected that these changes in waste collections and services because of COVID-19 are the reason for why we are seeing an increase in incidents.

Fly-tipping has been an increasing problem for farms and estates across Scotland, especially for those located in urban fringe locations. Landowners are left to bear the responsibility and cost of the clean-up operation which can often extend to thousands of pounds and in the process, create financial problems for businesses already operating on tight budgets. Members have raised concerns about the damage this causes to the environment, the harm it can cause to livestock and wildlife and the cost of cleanup. There are also health & safety concerns for the risk to employees having to remove it.

SLE is working with rural and environmental organisations and released a [joint statement](#) on the issue encouraging reporting through the online [Dumb Dumpers](#) website or reporting directly to the relevant local authority. SLE continues to work closely with Zero Waste Scotland on this matter and we have collated information on incidents which have been submitted to both Zero Waste Scotland and the Scottish Government. Similarly, SLE has been in contact with SEPA to investigate ways of reducing fly-tipping in the future.

SLE has also written to all local authorities in Scotland requesting that victims of fly-tipping not be charged for disposing of waste illegally fly-tipped on their land. As “rubbish breeds rubbish” we also requested that victims are given priority access to local authority disposal sites to ensure waste is disposed of at the earliest opportunity.

Housing

There has been a trend of tenants affected by coronavirus who are concerned about paying their rent. Our members are keen to engage with their tenants and support them by offering rent reductions or rent holidays. The Scottish Government stated that a loan fund would be in place by the end of April, at the latest, with the details being widely communicated. However, we have received no communication regarding this. Many landlords rely on their rental income, and without support, they could suffer significant hardship.

We fully support the fact that homelessness should be avoided during the outbreak. However, we are concerned that coronavirus legislation has also temporarily made all grounds for eviction in the private rented sector discretionary. However, the Glasgow Tribunal Centre (as the HPC administrative base) was closed to administration staff on the 25th March 2020. This means that landlords will not be able to start proceedings against tenants for any reason.

We are concerned that the ongoing maintenance of properties is being hampered by coronavirus. We accept that unnecessary visits to tenants' homes must be avoided. However, properties must be maintained; otherwise, they risk falling into a state of disrepair and causing issues for tenants and landlords alike.

Connectivity

The pandemic has starkly exposed the rural/urban divide, particularly factors such as a lack of connectivity. Rural areas have been slower in receiving high quality broadband and even mobile phone connectivity, leading the crisis to expose real challenges for the future. While home working is feasible for many jobs in urban areas, lack of connectivity still excludes too many in sparsely populated parts of the country. Similarly attempts by rural companies to move their offering online have been hampered by lack of reliable connectivity to enable customers to access their products.

It is vital that rural connectivity is at the heart of plans being taken forward to ensure that remote areas are not lagging and a two-tier economy. Limited or inferior connectivity also impacts on matters such as home-schooling to the extent to which it continues, where there may be concurrent demands for limited available bandwidth (data transfer capacity) among multiple household members. Rural vulnerability and social isolation are compounded for those with poor availability of highspeed broadband or mobile signal coverage. We also have concerns that where support is offered by government and agencies as part of the recovery that any complexity in the system is a particular issue for residents of rural areas, given their distance from sources of advice and support, and the necessity for regular digital interaction both in registration and claiming.

We would support a "Rural first" policy for future roll out of 5G & broadband provisions and encouragement for collaborative construction of local networks, giving greater control to local communities and speeding up implementation overall.

SLE Economic Recovery Asks

SLE sent a detailed response to the Advisory Group on Economic Recovery, below are the key summary points which we feel can breathe life back into the economy.

- Rural areas have the natural advantage of "space". With the ability for greater risk management, working conditions can be safer, and therefore allow for an earlier safe reopening than in other settings. This needs to be considered, rather than a one-size-fits-all approach for across Scotland. This could result in a faster regeneration of the economy and trickle-down effect if allowed to do so. We also need the right training, business support and fiscal frameworks in place to encourage growth.
- Local produce is hugely important to rural Scotland. We produce some of the finest food and drink in the world and this should be promoted both internally and externally. This would enable

rural areas to thrive, both in primary production as well as the allied supply chain of inputs and added value processing. Public procurement should also take advantage of the quality and environmental benefits of buying local produce.

- Leisure & tourism is one of the hardest hit sectors. Rural and outdoor tourism should be able to reopen while ensuring safety relatively quickly. Self-catering can also offer a low risk option for holidays and enable money to flow in the economy. This will provide an uplift and break for the public as well as rural areas.
- Scotland can continue to be a world leader in renewable energy. Providing power, employment, and energy security. With correct incentives and planning guidelines this need not be an expensive option.
- Environmental land management can make use of Scotland's greatest resource, land. It can provide quality food, beautiful scenery as well as biodiversity and ecological services. To do this we need clear direction from government on the future of rural support and a commitment to enable land managers to make changes to their businesses.

For more detailed information

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