

Consultation Title	<b>Coronavirus and Scotland</b>
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Scottish Land & Estates is the voice of rural businesses throughout Scotland. We are a membership-based organisation representing a wide range of rural businesses, including farmers, foresters, tourism operators, housing providers, leisure companies, and renewable energy providers.

Our members provide a wide range of economic, environmental and social benefits which are vital to the success and survival of communities throughout rural Scotland. They play a critical role in ensuring sustainable, healthy and empowered rural communities, providing housing, employment and a wide range of economic, environmental and social benefits.

**How effective has the four-nations' approach been in tackling the coronavirus pandemic? What improvements could be made to formal intergovernmental structures, such as the Joint-Ministerial Committee, in light of the pandemic?**

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Although there has been a high degree of cooperation, there have been differences in the policy pursued by different Governments'. This divergence has led to confusion over which rules or guidance applies in which nation. We have noted a certain amount of confusion over messaging.

For example, England came out of lockdown before Scotland; there was inconsistent messaging in the Scottish press reporting that lockdown was being lifted. Furthermore, when Scotland did come out of lockdown, the message from the government was to 'stay local'. In contrast, in England, there was no restriction on how far one could travel for recreational purposes. Once again, this was not reported accurately by the press, and there were instances of people driving from England to Scotland, assuming it was within the rules.

The confusion is still being seen as lockdown continues to ease. Each nation has released slightly different advice regarding the number of people that can now meet. In Scotland, eight people from two different households can meet up outdoors if they maintain social distancing. While in England, people can meet outside in groups of up to six people from different households. In Wales, any number of people from two different households can now meet up outdoors. While in Northern Ireland groups of up to six people who are not in the same household can meet while socially-distancing outdoors. The differences between the nations do not seem very significant. Therefore, we feel it would have been strategically more advantageous to pick one set of advice and have this apply to all four nations.

We appreciate communication during the pandemic was intended to be quick and straightforward to understand and that each nation has the right to develop their guidance. However, the UK Government has often led on the messaging, and it is frequently this messaging that has been picked up and reported by the press. This has left the public and businesses unclear regarding which rules applied in different places.

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**How will the UK Government's 'stay alert' message, announced on 10 May, impact Scotland? How effective was the coordination between UK and Scottish Governments, and their respective advisory groups, in relation to the 'stay alert' message?**

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The change to the stay alert message on 10 May caused confusion because the Scottish and Welsh Governments and the Northern Ireland executive stuck with the "stay at home" advice for citizens. It did not seem as if there was any coordination between the UK and the Scottish Governments. While the other nations put messaging to clarify that they were not adopting the 'stay alert' message, many people still picked up the wrong message. This caused individuals to behave in a way that broke the rules.

We recognise that each Nation has the right to protect its citizens. However, we would expect the four nations to adopt a fully joint approach. The reality of the situation was that the four nations were taking remarkably similar approaches to the pandemic. The benefit of having identical guidance would have been that confusion in interpretation would be minimal. The risks of having different messaging are that when the media interpret that message, and it is not always reported accurately. This divergence in messaging caused particular difficulties for those businesses and individuals that do a lot of cross-border activity.

Additionally, the lack of joint messaging, particularly the timing and language of the UK Government's announcement threw into question the veracity of any statements regarding prior four-nation coordination.

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**What implications are there for divergence in UK and Scottish Government policy in tackling the pandemic? Should there be further divergence between nations in easing lockdown restrictions?**

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As mentioned above the impact of the divergence in policy between the various Governments mean that people were not clear on which guidance applied were and resulted in individuals or businesses inadvertently acting in a manner contrary to the guidance of their own government. Many businesses and individuals in the UK operate on a cross-border basis and having a divergence in policy causes confusion and makes it difficult to carry out any businesses planning. Going forward we would encourage the nations to adopt as joint an approach as possible.

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**Have the UK's funding package and support schemes been sufficient in supporting Scottish businesses, employees, and self-employed people in Scotland? Have they been able to reach all sectors in Scotland?**

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We are very grateful for the funding package and support schemes that the UK put together to deal with the pandemic. These have been a vital lifeline for many businesses and individuals. In particular we want to highlight support for the bounce back loan and self-employment support. We have received positive feedback from our members about the ease of application and the speed at which the funds arrived in their account.

That being said, there is disparity between the Scottish and English funding packages. From the outset these differences were never fully explained or resolved. For example, the treatment of Small

Business Grant Fund/ Coronavirus Retail, Hospitality and Leisure Grant Fund and the Scottish Business Support Fund was very different. Local Authorities in England reached out to businesses that were eligible for support while in Scotland, businesses had to apply. Only properties occupied for personal uses were ineligible for grant support. In contrast, Scotland had a long list of additional ineligible businesses. The Scottish Government never gave any reason for why some businesses, for example, quarries, recycling centres or deer larders, were ineligible. While some disparities were addressed, a direct equivalent to the English support package was not introduced.

Another disparity which negatively affected many Scottish businesses was that eligible businesses could get one grant per business. Whereas in England the grants were limited to one per property. It took a large amount of sustained lobbying on behalf of Scottish business representatives to get this disparity addressed.

Furthermore, while self-catering businesses were eligible in England, they were originally excluded in Scotland. Again, a sustained amount of lobbying took place, and this was altered, but with substantial caveats. The restrictions that the Scottish Government put in place had a particularly negative impact on diversified businesses. This was very frustrating because previously the Scottish Government has encouraged businesses, particularly those in rural areas, to have diversified income streams.

The Scottish support packages initially required applicants to have a business bank account. While this has recently been adjusted, it meant that a lot of people missed out on funding. The effect of the disparity between the schemes in Scotland and England and how sufficient they have been in support businesses is perhaps best explained by the fact that by and large, the scheme in England is the same as it was when it was initially announced while the Scottish package of support has gone through quite a few changes.

We want to commend the introduction of the job retention scheme. The ability to furlough staff has been essential for employers. While the new changes, that make it more flexible are good, this scheme could have been done earlier. Having partial furlough from the offset would have allowed some businesses to keep going helping to minimise the impact on the economy. Furthermore, this would have left businesses in a better position to recover as lockdown starts to ease.

**Has UK and Scottish Government policy around key workers been effective? What further policy changes are required to support: a) seasonal workers; b) social care workers; and c) other key workers?**

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In England, Wales and Northern Ireland, national advice was issued identifying key workers. However, in Scotland, this was left to the 32 local authorities to make a case by case decision on individual businesses and groups of workers. While we understand the logic behind the Scottish Government's decision in practice, this caused a lot of confusion. This decision resulted in 32 slightly different key worker lists in a country where many people work or travel through more than one Local Authority area.

For example, some local authorities recognised the priority of food supply under category two of the key worker designation (and therefore still critical), but many did not. Food and drink products cross council boundaries when going from where they are produced, to where they are processed, to where they are sold. This inconsistent approach added a lot of strain and confusion to an industry already under a significant amount of pressure.

The interpretation of the police caused further confusion around key workers. We received reports of police officers stopping members of the public on their way to and from work to ensure individuals were following government advice. This led to many organisations issuing key worker letters. However, when we spoke to Government Ministers, they recommend that we discourage our members from holding key worker letters and that this was an unnecessary step at this stage.

**How has the Coronavirus pandemic impacted a) the oil and gas industry in Scotland; b) the Scottish food and drinks industry; and c) the rural economy? What support ought to be provided by the UK and Scottish Governments?**

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B) At the start of the Coronavirus pandemic the food and drink supply chain, and supply chains in general, were disrupted. Closing large sections of the economy had the knock-on impact of reducing levels of haulage. The interconnectedness of distribution channels and a “just in time” supply chain meant there was sudden impact in availability of products to the consumer. As consumers shifted behaviours, from eating outside the home to eating inside there was an uplift in demand for items which typically have a steady supply. This demand, anecdotally referred to by those in the sector as “like several Christmases” naturally resulted in pressure on the availability of raw materials for packaging. The majority of UK flour is used for catering, food service and bulk purchase, so a run on smaller bags in supermarkets created a shortage in paper bag availability.

A well-run supply chain will aim to operate as near to 100% capacity as possible. Moving away from this ultimately results in losses. It is therefore understandable that with a shift in behaviours the supply chain was unable to maintain an increased supply. These businesses typically spend weeks and months planning for the Christmas demand, in this instance it was not possible for the supply chain to operate as normal. With increased pressure on availability of staff and reduced haulage maintaining normal supply was not an option. Support from government at the time was not needed, however it should be recognised that our food supply would have been impacted even further if we relied even more on food imports for key items. As we look to the recovery the capacity for domestic food production and processing should be better understood and improved.

The ultimate effect of all of these factors was pressure put onto primary producers as the dichotomy of a shortage of products in some supply chains against a massive over supply in others meant that some producers received greatly reduced prices for their products. This was highlighted most starkly in the dairy industry with those supplying the fresh milk retail market being encouraged to produce more, while those producing for the commodity market and catering being asked to slash production and prices paid reducing greatly.

C) The coronavirus pandemic has had a substantial impact on the rural economy. We have described some of the most affected sectors below.

**Diversified Businesses**

As mentioned above many diversified businesses in Scotland found themselves being penalised for this diversification by being ineligible for support. However, had these businesses been located in England they would have been eligible.

Scottish Local Authorities told applicants that only one rateable value entry would be considered per application and applicants cannot combine parts of the business to become eligible e.g. restaurant and a self-catering property.

Many rural businesses find themselves in a situation where separate enterprises operate under one umbrella but are listed independently in regard to their Rateable Value because of their description. Frequently each element does not have a rateable value of more than the £18,000 but the cumulative total across the business is more than £51,000. This coupled with the long list of ineligible businesses means many rural diversified businesses saw themselves slipping through the net.

### **Tourism Sector**

The tourism sector has been severely impacted by the coronavirus pandemic. The full impact is beyond the scope of this consultation, but we would like to highlight some particular concerns. There has been a substantial financial impact due to loss of bookings. This is particularly concerning in many parts of Scotland which are particularly affected by seasonality. Many of these businesses rely on income from March-September and therefore will have almost no ability to generate income until March 2021 even once lock down has been lifted. Added to this a considerable number of businesses in Scotland were not eligible for financial support via grants and these businesses were concerned about taking on extra debt through loans when they believe they will have no income coming in for some time.

This situation has been heightened for many businesses because many found that their Business Interruption Insurance would not pay out for the pandemic. Furthermore, there has been criticism that online travel agents are making businesses shoulder the financial burden of cancelled bookings and overriding the businesses own terms and conditions or cancellation policies.

### **Country Sports**

Country Sports Tourism Businesses play a crucial role in rural Scotland. They employ local people and attract visitors who boost the rural economy and provide a livelihood for locals. However, these businesses were not eligible for the Scottish Business Support Fund despite the fact these businesses are clearly part of the retail, leisure, or hospitality sector. Furthermore, many of these businesses are in receipt of small business bonus scheme or rural relief but they remained ineligible. If these businesses do not survive this pandemic, it could mean irreparable damage for the people who live and work in these communities. While these businesses were later encouraged to apply for Scottish Government's Creative, Tourism & Hospitality Enterprises Hardship Fund. However, there remained confusion over this fund and many businesses were wrongly steered to the wrong fund and told they were ineligible.

### **Flytipping**

Flytipping is not a new problem and has been an increasing issue for farms and estates for some time, however, the implications of the Covid-19 pandemic has exacerbated the problem. Scottish Government and local authorities rightly took urgent action on a number of fronts to prioritise and protect public health. Some of these actions have, however, led to unintended consequences. In order to maintain essential services and respect social distancing rules, local authorities and private contractors have been forced to temporarily reduce or suspend some services. This has, however, led to an unfortunate increase in flytipping incidents.

### **Access**

The Covid-19 pandemic and the associated lockdown has resulted in many of our members seeing a dramatic increase in members of the public accessing land. In a recent survey, 45% indicated that they were experiencing issues with public access. While we accept that time spent outdoors is important for good physical and mental wellbeing, access to the countryside must be underpinned by people acting responsibly and in line with the law and current government guidance.

**Have there been particular Scottish issues relating to coronavirus that have not been addressed by a Government response?**

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While already mentioned elsewhere in this consultation we would like to highlight our concern over Scotland's decision to allow the 32 Local Authorities to make crucial decisions linked to Scotland's response to covid-19. We understand that Local Authorities in Scotland have a certain amount of autonomy, and we are supportive of localising power. However, these are unique circumstances and therefore giving Scottish Ministers the ability to make centralise these decisions would have been advantageous. We feel temporary powers to make decisions on behalf of Local Authorities unilaterally could have been included in the emergency Covid Bills. For example, the decisions regarding who was classed as a key worker should have been made centrally in Scotland as it was in the other nations.

The Scottish Government gave Local Authorities additional funding to distribute to businesses that they saw as being in need. However, there seemed to be a reluctance in some Local Authorities to disperse these funds. While we are sure, they had their reasons for this reluctance it may have been more productive to keep these decisions centrally.

This trend has continued as lockdown restrictions have eased, for example, with the re-opening of recycling centres. The decision as to which centres will re-open, what type of material they will accept and what the process will be is all being handled locally. This is resulting in a lot of confusion and forcing individuals who wish to deposit different types of material to travel to various centres. In light of the increased incidents of flytipping, this is adding increasing pressure on landowners.