

This evidence paper is being submitted jointly by the SLTA and NTIA.

**Summary:**

The financial position of most hospitality businesses is now extremely fragile. They are typically loaded with debt, have mostly run out of capacity to borrow further, and in a majority of cases face ever increasing demands from creditors to repay substantial overdue bills while also servicing debt repayments from bounceback loans or other lending. At the same time, Covid Certification is now resulting in significant barriers to operating, and causing material reductions in turnover, which in many cases prevents businesses from trading viably.

**Survey data:**

Scotland's hospitality trade bodies (NTIA, SBPA, SHG, SLTA, UKH) have this week released joint survey results highlighting the impossible financial situation that the sector is now being put in as a result of Covid Certification. A survey of more than 200 business owners and operators reveal the extent of the impact to the hospitality sector, which is vital to local economies and the country's tourism offer.

It has been previously reported to Scottish Government that hospitality operates on wafer thin margins even at the best of times, and the typical businesses require turnover of around 90% of pre-pandemic levels to break-even.

At the moment however, some **83% of respondents say that turnover is down by over 10% on pre-pandemic levels, and over 80% are still carrying "significant or material" debt from nearly two years of closures and restrictions with insufficient government support to compensate for losses.**

If vaccine passports were extended to wider hospitality:

- **76% of businesses say they would not survive this winter without further Government financial support.**
- **95% would have to cut staff hours and wages.**

The survey also found that for those businesses currently enforcing the policy:

- **95% say trade has been negatively impacted**
- **87% have seen trade reduced by over 20% since the introduction of the scheme, with some reporting falls in trade of as much as 60%.**
- **Less than 1% say business has been unaffected.**

In a joint statement, the trade bodies said: "From this survey it is clear to see that Scotland's hospitality sector is in a precarious situation making the recovery period all the more important. Four out of Five (83.6%) businesses are significantly below pre-pandemic levels and with inflation and other costs rising, the sector is facing a very difficult winter ahead.

"The survey also shows that covid certification has a hugely negative impact on businesses already caught by the policy and any extension will have a devastating impact on Scotland's wider hospitality sector. **Some (76.2%) say they would not survive without further Government support should the policy be extended.**

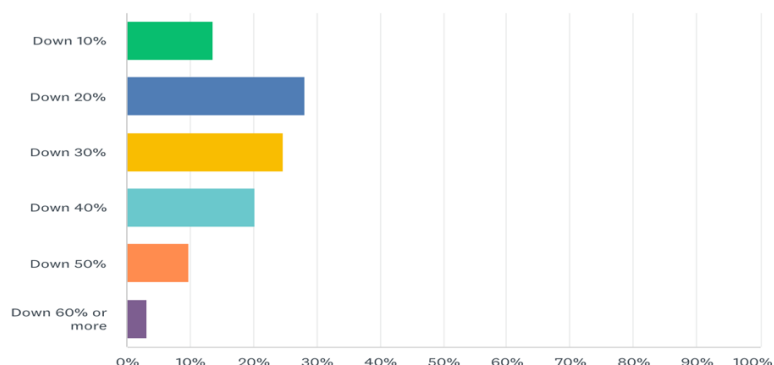
“It’s a similarly worrying picture for staff with over 95% of businesses saying that if trade reduced in line with expectation, they would have to reduce staff hours by the same or greater percentage as the loss of turnover. Given that turnover has reduced by 20% to 40% for businesses impacted by the scheme, this would be a devastating blow for the sector’s 100,000 workers just in the run-up to Christmas. The Scottish Government must take this into consideration when making the decision on any extension of the covid certification and provide the economic support to keep thousands of businesses afloat.”

The SLTA notes various comments from politicians, including the First Minister in her statement to parliament on Tuesday of this week, claiming that there was no evidence to suggest Covid Certification was causing any downturn in trade, and that there was a possibility that the public would increase confidence in visiting premises enforcing such certification.

The evidence so far would suggest that both of these suggestions are untrue, with a majority of respondents noting a significant decline in trade between the month before Covid certification came into effect on the 18<sup>th</sup> of October, and the month after... And a significant decrease in advance bookings since covid certification was introduced.

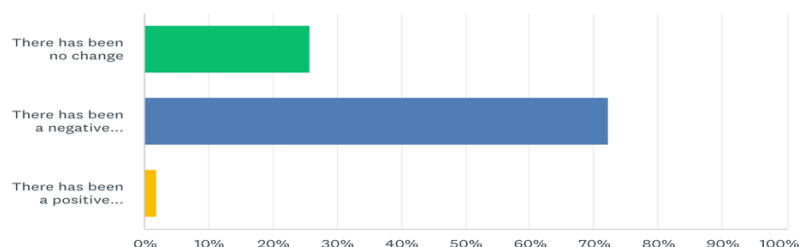
IF your business has been negatively affected by vaccine passports, what is the decline in trade levels comparing the last month with the month before they came into effect?

Answered: 153 Skipped: 53



Since vaccine passports were launched, have you observed any change in customer confidence or advance bookings?

Answered: 205 Skipped: 1

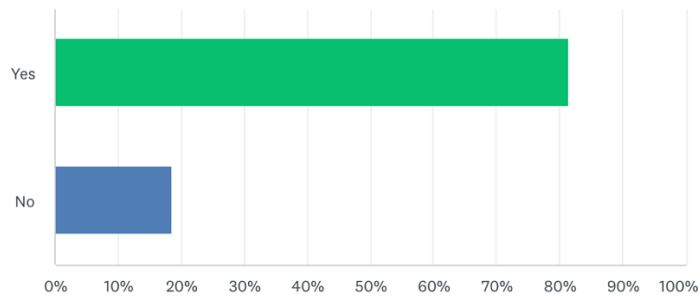


ANSWER CHOICES	RESPONSES
There has been no change	25.85% 53
There has been a negative change, confidence and/or bookings are down	72.20% 148
There has been a positive change, confidence and/or bookings are up	1.95% 4
<b>TOTAL</b>	<b>205</b>

Businesses also report a significant level of frustration from the general public, with some 80% of businesses suffering verbal or physical abuse to staff from enforcing Scottish Government’s covid regulations.

Have you or your staff suffered any verbal or physical abuse from customers as a result of enforcing Scottish Government Covid regulations?

Answered: 205 Skipped: 1

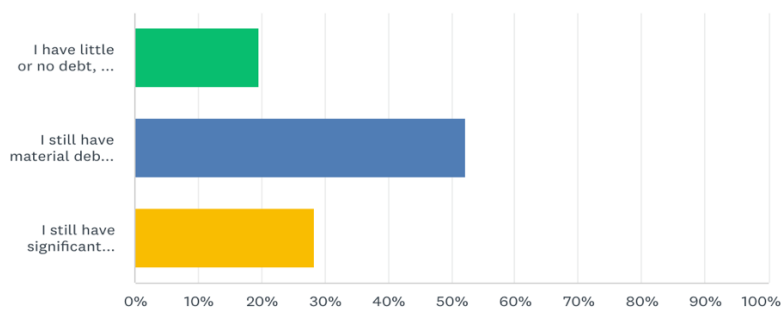


ANSWER CHOICES	RESPONSES
Yes	81.46% 167
No	18.54% 38
<b>TOTAL</b>	<b>205</b>

And finally, a majority of businesses report that any expansion of Covid Certification this winter will result in significant adverse financial impact and issues with creditors.

Thinking of your current financial position, and the possibility of covid passport or restrictions being extended, which of the following best applies?

Answered: 205 Skipped: 1



ANSWER CHOICES	RESPONSES
I have little or no debt, my business is profitable, I have some cash reserves, I can afford to lose some trade this winter and still survive	19.51% 40
I still have material debt or overdue bills from covid, I have been gradually paying them down, but could not do so if business decreased from current levels - I would have to renegotiate payments with creditors	52.20% 107
I still have significant debt or overdue bills from covid, creditors are pushing for repayment, I would not be likely to survive any decrease in business	28.29% 58
<b>TOTAL</b>	<b>205</b>

**The International Experience:**

Both the First Minister and Prof Leitch have made recent comments suggesting that Covid Certification was an increasingly common response internationally. However, they do not appear to have mentioned that such certification schemes have also had significant adverse economic effects, negative social effects, and staff welfare effects, when applied elsewhere.

## NYC'S VACCINE MANDATE HAS BEEN A DISASTER FOR RESTAURANTS, STUDY FINDS

Operators have lost both business and staff because of the requirement, according to an industry association.

By **Peter Romeo** on Oct. 28, 2021



Photograph: Shutterstock

New York City's vaccine mandate has been a powerful blow to the city's restaurants, driving away customers and employees while routinely exposing staff members to tirades from angry guests, according to the New York State Restaurant Association (NYSRA).

In a survey of 125 Big Apple restaurateurs, the association found that 67.2% of the establishments had customers storm away after being asked to prove they've either been vaccinated against COVID-19.

Nearly as large of a proportion (61.6%) reported they'd had group events canceled because of the mandate.

The association characterized the 6-week-old mandate as a significant strain on relations with employees. About 59% of the respondents said their hosts or greeters had been subjected to mistreatment by guests who were angered by the request for vaccination or testing proof.

## Black market for fake Covid health passes flourishes in France



Issued on: 18/08/2021 - 17:41



This picture taken in Paris on August 16, 2021 shows a sign, displayed at the entrance of the Beaugrenelle shopping center, requesting visitors provide a mandatory Covid-19 health pass to enter the mall. © Bertrand Guay, AFP

Text by: [NEWS WIRES](#) ⌚ 4 min 🗣️ Listen to the article

**People refusing to get Covid vaccines in France are coughing up hundreds of euros for fake health passes in an online black market that has flourished since the government required them to enter cafes, inter-city trains and other public places.**

People have had to show proof they have either been vaccinated, tested negative for Covid or have recovered from the disease in order to enter a museum, cinema or sports venue since July.

The health pass has also taken a toll on many of the businesses where it is required. Cinemas lost seven million ticket sales in a month due to Covid passports, according to the [National Federation of French Cinemas](#). And 80 per cent of bars and cafes and 60 per cent of restaurants saw their revenues drop by at least one fifth between July and August, according to [UMIH](#), an employers' organisation (the health pass became mandatory for bars and restaurants on August 9).



# The Impact of Vaccination Passports on Foodservice Operators

PUBLISHED OCTOBER 20, 2021

According to Restaurants Canada's latest Restaurant Outlook Survey, nine in 10 respondents said that guests are required to show a vaccine passport/proof of vaccination for on-premise dining service at their establishments.

Six in 10 respondents said that these proof of vaccination requirements had a negative impact on their revenue. Table-service restaurants were the hardest hit: 44% of respondents said proof of vaccination reported that their revenue had significantly decreased. Similarly, 38% of 'all other foodservice' — which includes accommodation, institutions, bars, taverns, and nightclubs — reported a significant decrease in revenue. In contrast, just 14% of quick-service restaurants reported a significant decline.

In addition to the decline in revenue, nine out of 10 respondents are experiencing other impacts to their business due to proof of vaccination requirements. First, the additional cost to businesses as a majority of table-service restaurants and 'all other foodservice' needed higher staffing levels to handle the burden of enforcing the new rules. There is stress on staff, as half of all restaurants (regardless of segment) had experienced hostile confrontations from people opposed to the new rules. In addition, roughly four in ten table-service restaurants and 'all other foodservice' were the targets of negative social media interactions and bad reviews from people opposed to the new rules.

At a time when labour shortages are a critical challenge for restaurants, one in five respondents have lost staff due to the requirement to enforce the new rules.

**Efficacy:**

Concerns around Covid Certification are widespread and it is noted that many scientists and academics have publicly stated that the efficacy is questionable and that it may in fact lead to counterproductive outcomes.

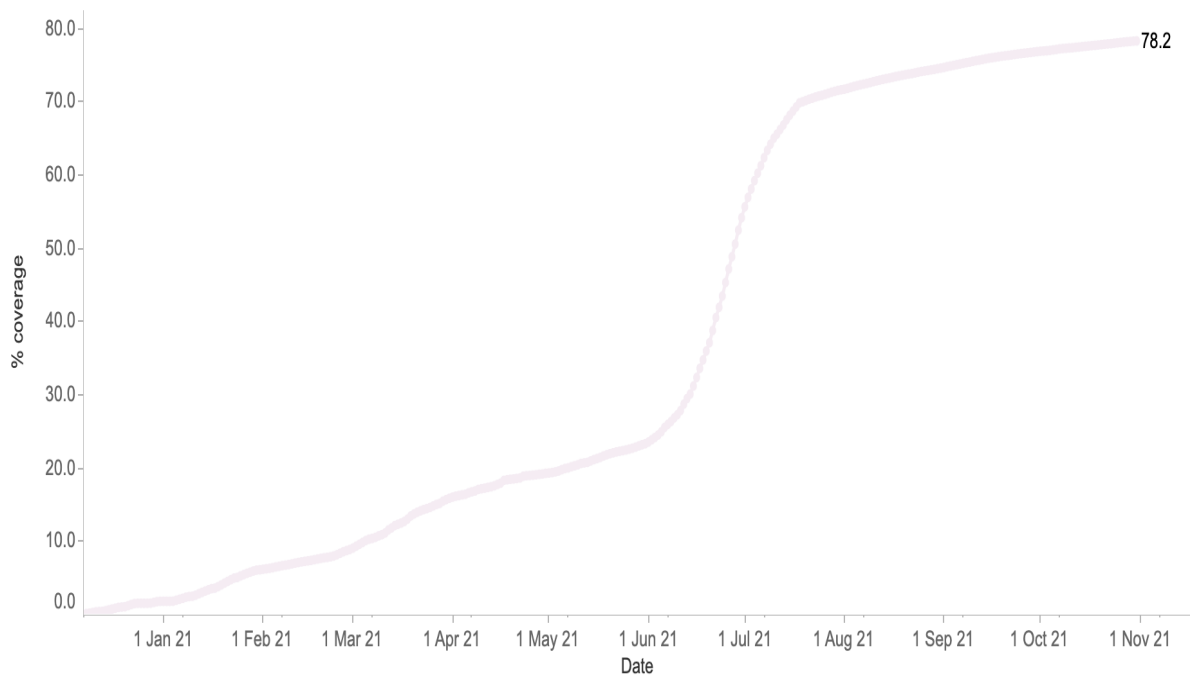
**Both the First Minister and Deputy First Minister have stated that driving vaccine uptake was the main goal of the scheme, however first dose vaccine uptake trends remained relatively unchanged over the period of the scheme being announced and implemented from September to November:**

**The scheme does not appear to have resulted in any meaningful increase in first dose vaccine uptake amongst the key 18-29 demographic it was aimed at.**

Select NHS Board / Local Authority

Scotland

Daily cumulative total % coverage (dose 1) by age group in Scotland

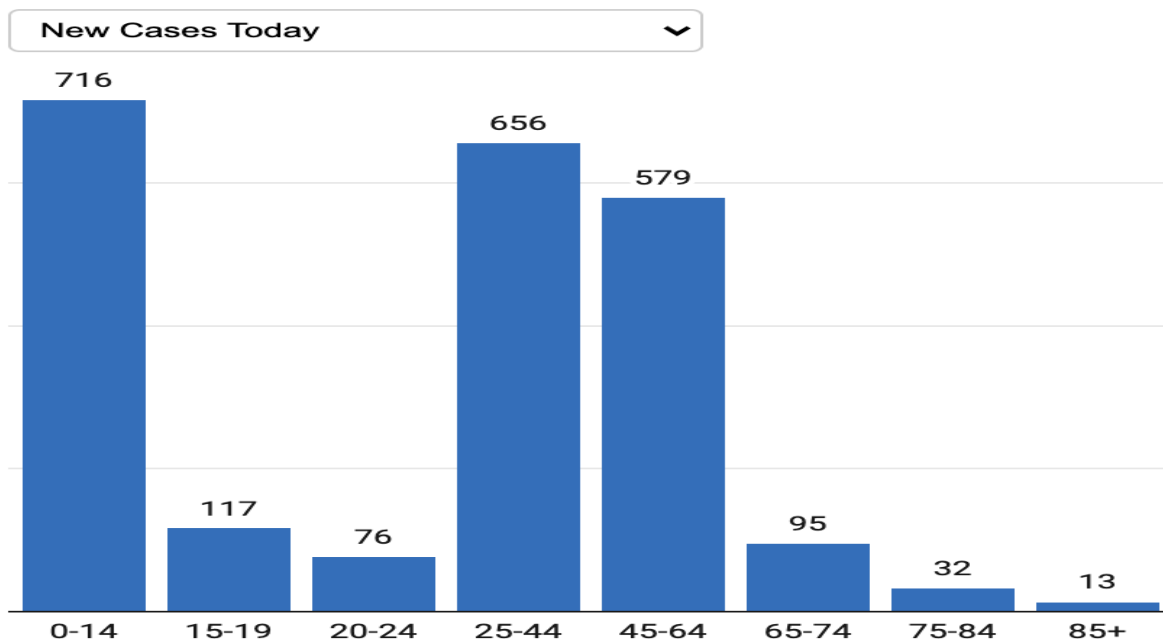


Age group breakdowns use the age of the individual as at 31 August 2021. Denominator populations for age/sex groups and area breakdowns are sourced from National Records of Scotland mid-2020 estimates (the latest available).

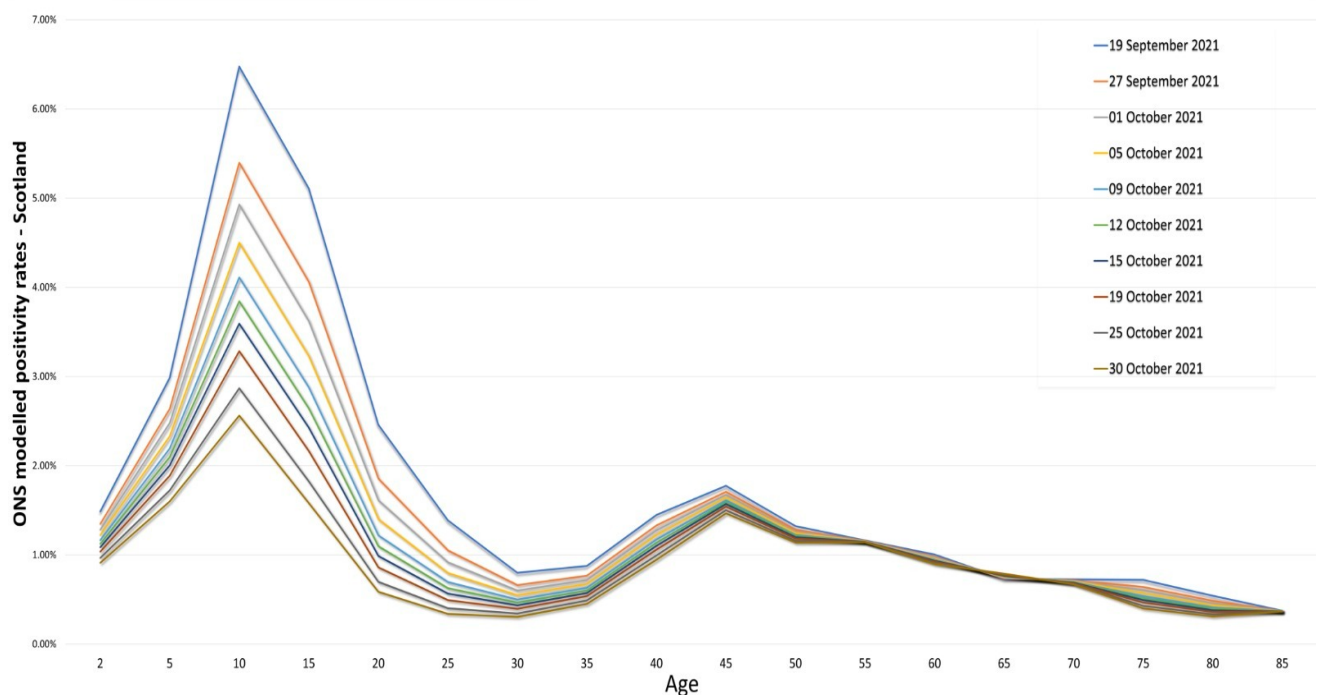
**Whilst it is true that second dose uptake increased, this was always going to happen as a result of the near identical increases in first dose uptake for those demographics some 12 weeks earlier.**

It is also questionable as to whether a scheme targeting young adults (the core demographics of late night hospitality) will be effective at stopping transmission when PHS data indicates young adults are not the primary vector of transmission.

Most cases are being reported in school age children, and adults of the age to be their parents, while cases in the 18-24 key nightclub demographic remain low and have been relatively low for the entirety of the recent wave.



A trend that can be seen even more clearly in the ONS infection rate data:



Source: ONS infection survey. Note that historical rates can be slightly changed by the new information coming in each week.  
<https://www.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/methodologies/covid19infectionsurve>



**Conclusions:**

Professor Stephen Reicher, on the 16<sup>th</sup> of November 2021, stated that:

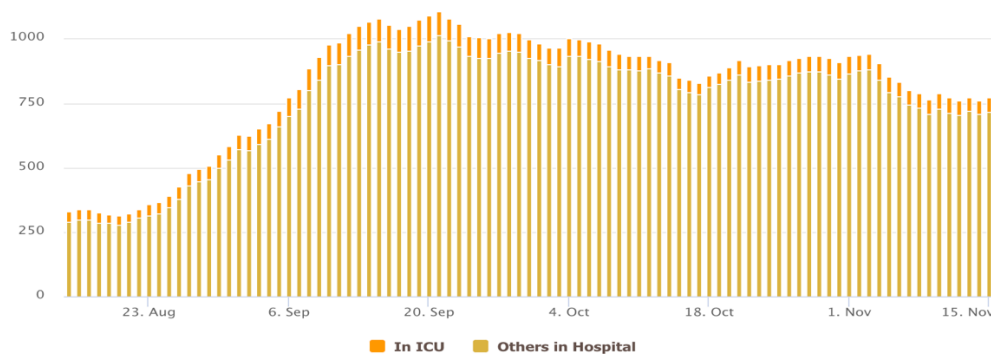
***“There are major problems in placing the emphasis on vaccine passports as a means of increasing vaccination rates and decreasing infections when they are so controversial - especially when there are other effective and less divisive means of achieving these ends.***

***More engagement and support to get people vaccinated, more emphasis on making spaces safer through ventilation support and ventilation information. In sum, support and persuade is a more effective strategy than coerce - both in the short term and in the longer term.”***

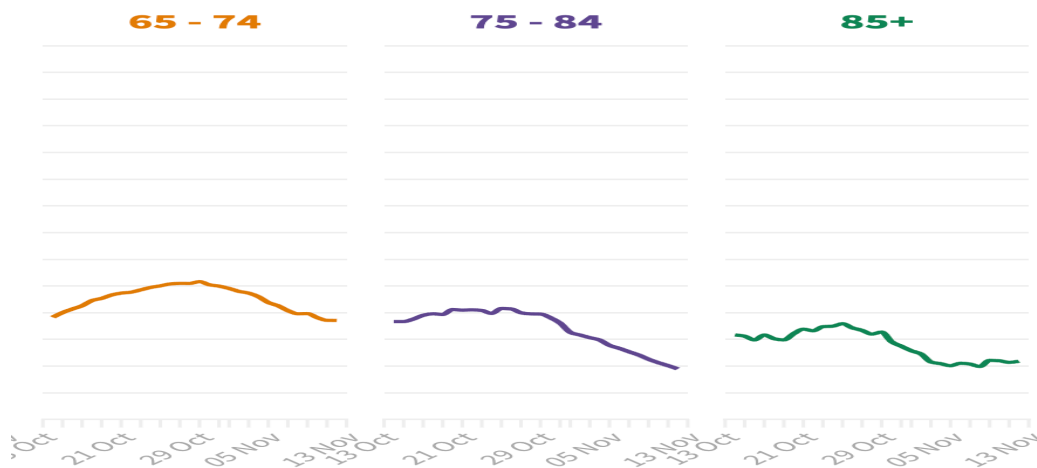
We would agree with Professor Reicher, and suggest that Covid certification is neither necessary nor a proportionate response to the current state of the pandemic.

Expansion of the scheme now, just before Christmas, risks the very existence of businesses subjected to a wholly avoidable downturn in trade during their key trading season, and the data is not there to support such an outcome as being proportionate.

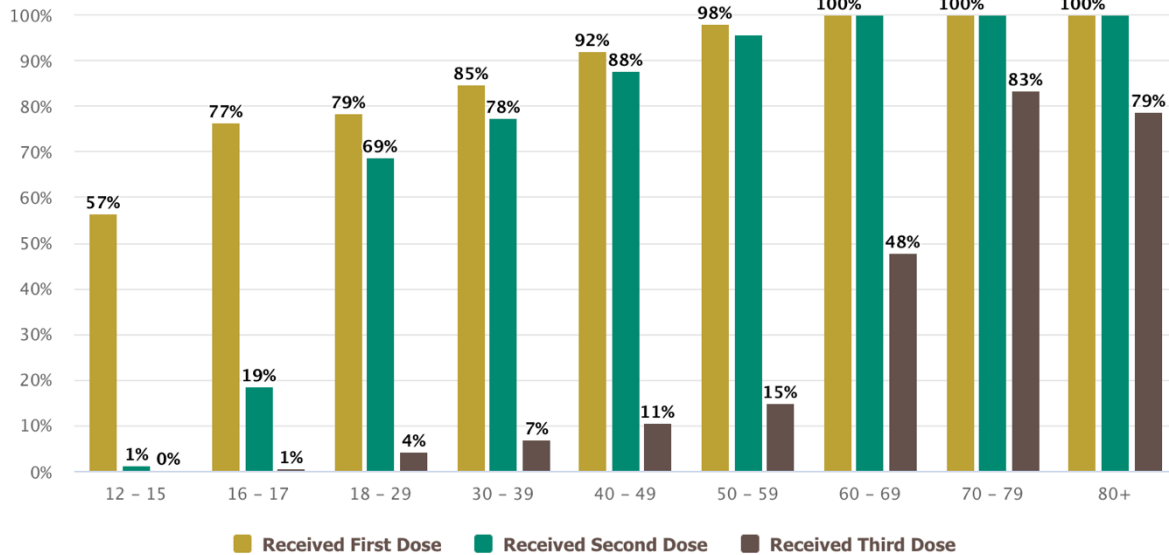
**Hospitalisations and ICU admissions are falling:**



**Cases in the older, more vulnerable, demographics are falling:**



**And Booster roll-out continues at pace:**



Source: PHS • Updated: 15/11/2021

At a time of falling hospitalisations, falling case numbers in the more vulnerable older demographics, and falling serious outcomes, thanks to the impact of booster doses in those segments of the population, is a false choice to suggest that the alternative to covid certification is closure or more restrictions.

Particularly when the main sources of transmission appear to be school age children and their relatives rather than patrons of late night, or indeed any, hospitality premises.

The financial impact of Covid Certificates has been immensely negative to the hospitality and late night sectors, and now represents a threat to the survival of those businesses, along with the incomes and jobs of their 100,000 employees.

It is the position of the SLTA and NTIA that both the current Covid Certification scheme and any proposed expansion of it are neither proportionate nor justified at this time.

We would be happy to provide any additional information if helpful.

**Gavin Stevenson**

**Scottish Licensed Trade Association  
&  
Night Time Industries Association**