

# Citizen Participation and Public Petitions Committee

5th Meeting, 2022 (Session 6), Wednesday  
23 March 2022

## PE1889: Financial Support for Self-Employed People in the Travel Industry

### Note by the Clerk

**Lodged:** 24 August 2021

**Petitioner** Nikki Peachey  
**Petition** Calling on the Scottish Parliament to urge the Scottish Government to  
**summary** provide tailored financial support to self-employed individuals working  
in the travel industry, whose businesses have been affected by the  
Covid-19 pandemic.

**Webpage** <https://petitions.parliament.scot/petitions/PE1889>

### Introduction

1. The Committee considered this petition at its meeting on [Wednesday 19 January 2022](#). The Committee agreed to write to the Cabinet Secretary for Finance and the Economy.
2. The petition summary is included in **Annexe A** and the Official Report of the Committee's last consideration of this petition is at **Annexe B**.
3. The Committee has received a response from the Cabinet Secretary for Finance and the Economy which is set out in **Annexe C**.
4. Written submissions received prior to the Committee's last consideration can be found on the petition's webpage <https://petitions.parliament.scot/petitions/PE1889>
5. Further background information about this petition can be found in the SPICe [briefing](#) for this petition.

6. The Scottish Government's initial position on this petition can be found on the [petition's webpage](#).

## Action

The Committee is invited to consider what action it wishes to take.

**Clerk to the Committee**

## Annexe A

# PE1889: Financial Support for Self-employed People in the Travel Industry

## Petitioner

Nikki Peachey

## Date Lodged

24 August 2021

## Petition summary

Calling on the Scottish Parliament to urge the Scottish Government to provide tailored financial support to self-employed individuals working in the travel industry, whose businesses have been affected by the Covid-19 pandemic.

## Previous action

I have contacted local councils and MSPs, including Alexander Burnett, to ask for guidance and clarification. Alexander Burnett advised that a petition would be beneficial in order to gauge how many people are being affected by these circumstances. He has also forwarded a letter I have written to Cabinet Secretary for Economy and Finance.

## Background information

Many self-employed people working in the travel industry have been left out of financial schemes because they cannot furlough, don't have rateable premises, or are Ltd company directors. The Scottish Government should provide them with financial support.

## Annexe B

### Extract from Official Report of last consideration of PE1889 on 19 January 2022

**The Convener:** PE1889, which was lodged by Nikki Peachey, encourages the Scottish Parliament to urge the Scottish Government to provide a tailored financial solution for self-employed individuals in the travel industry whose businesses have been affected by the Covid-19 pandemic—and, indeed, who have been on the Scottish Parliament campus, lobbying MSPs directly. When we last considered the petition in November 2021, we agreed to write to the Scottish Government and industry representatives.

A response has been received from ABTA—the Travel Association. It states in its submission that the summer of 2021 failed to deliver a meaningful restart for the travel sector. It recently conducted a survey on behalf of the save future travel coalition, and businesses reported that the value of new bookings that were taken across the summer and early autumn last year represented, on average, only 31 per cent of the value of new bookings that were taken over the same period in 2019, before the pandemic.

ABTA notes that self-employed travel agents operate a variety of business models and, as such, are able to access only part of the grants that have been made available. In relation to furlough, the submission explains that some staff have been required to issue refunds and manage booking requests on behalf of clients. Her Majesty's Revenue and Customs data shows that uptake of furlough by travel agencies and tour operators to 30 April 2021 was only 49 per cent, compared with 70 per cent in hospitality.

ABTA believes that many of the grant funding schemes in Scotland have failed to recognise the impact of the unique restrictions that have been placed on travel. Many local authority-administered schemes focused on the physical constraints caused by Covid-19, such as the closure of premises or social distancing measures. The submission explains that schemes such as temporary closure grants were only applicable to retail travel agents when their premises were required to close and that online travel agents, tour operators and travel agent home workers were ineligible for that funding. Travel businesses without rateable premises were not eligible for the one-off travel agent fund payment that the Scottish Government launched in January 2021, or for the restart grant scheme.

Furthermore, ABTA advises that it is aware that many independent agents within its membership have had to remortgage or sell their homes in order to keep their businesses alive.

ABTA highlights support schemes that have been offered by the Northern Ireland Executive, such as the limited company director's support scheme or LCDSS, which provided an initial one-off taxable grant of £3,500 to eligible company directors in

January 2021, and the 2021 Northern Ireland travel agents coronavirus financial assistance scheme, which included a one-off single payment of £3,500 for self-employed travel agents who were working from home. That was clearly a different approach.

I invite Paul Sweeney to comment.

**Paul Sweeney:** I share the petitioner's concerns, having had dealings personally with Barrhead Travel in my region, which is one of the largest travel agents in the UK. It has raised concerns that the package of support was designed largely for hotels, hospitality venues and tourist attractions, which might be affected by the cessation of inbound tourism, and that similar consideration was not given to businesses that are involved with outbound tourism, and particularly travel agents. The support is geared towards travel agencies with premises but, even then, because of the way that the scheme is constructed, some businesses with multiple premises or companies such as Barrhead Travel, which employs nearly 500 people, do not necessarily qualify for support.

There is a major concern that there is a gap in the way that the system and schemes have been designed. The Northern Ireland model is certainly worth investigating as a benchmark. Before Christmas, I raised the matter with Ivan McKee, the Minister for Business, Trade, Tourism and Enterprise, and I was not convinced by his response. He made a point about having engaged with Barrhead Travel and, in effect, the company disputed that that was the case. There is clearly an issue about the level of engagement with the industry, and that is not to mention the issue of the design of the support structures. Clearly, people feel that they have been let down.

It is therefore appropriate for us to interrogate the matter further. We should write to the Scottish Government to raise the issue of the Northern Ireland scheme and ask why it has not been emulated. Perhaps we should also seek evidence from stakeholders. I nominate Barrhead Travel, but it might be worth investigating the position of other major participants in the sector.

**The Convener:** Thank you, Mr Sweeney. That was quite comprehensive.

As no other colleague wishes to comment, we will keep the petition open and write to the Cabinet Secretary for Finance and the Economy on the basis that Mr Sweeney has suggested. In particular, we will draw to her attention the package of support measures that were implemented in Northern Ireland, which perhaps seemed to have responded more directly to the aims of the petitioner. Do colleagues agree with that course of action?

Members indicated agreement.

## Annexe C

### Cabinet Secretary submission of 24 February 2022

#### PE1889/D - Financial support for self-employed people in the travel industry

#### Update on COVID-19 Omicron business support for Travel Agents

On 10 February the Minister for Business, Trade, Tourism and Enterprise met with the Scottish Passenger Agents' Association and ABTA (The Travel Association and formerly known as the Association of British Travel Agents) to hear directly the challenges facing the outbound travel sector and consider options.

I have written to the UK Minister for Business and Industry on the issues raised in this petition.

We are disappointed not to have received a response from UKG but Scottish Government has committed £375m support package for firms impacted by the necessary measures introduced to control the spread of Omicron. That package includes £200m reprioritised from the Scottish Government's expected consequential budget, £175m made available by the Treasury. Additionally, we have also reprioritised £4m from existing Scottish Government funding for tourism and events. Following consultation with businesses, I recently announced a further business support funding of £5.9m specifically for the Outbound Travel sector.

Officials are working with stakeholders to set up a sector specific scheme to target funds to those most impacted, including self-employed individuals that do not have premises. Details of the eligibility, and how and when to apply will be published on the Scottish Government website and on the Find Business Support website as soon as they are available.

In order to support the recovery of the tourism sector as a whole, the Scottish Government is supporting the most affected tourism businesses by Omicron. On January 12th, we announced £9m for tourism businesses impacted the most by the necessary public health advice to

stem the spread of Omicron in December. Six sectors are in scope, which are coach operators, hostels, visitor attractions, marine/outdoor, day tour operators and inbound tour operators. On February 10th, the Scottish Government announced a £7.5m Top Up scheme to provide additional funding to the Scotland Inbound Tour Operators to support the sector during the re-opening of the market (i.e., lifting of travel restrictions, etc.) and allow them to deliver activities that would otherwise be unaffordable. This sector has a positive impact throughout the supply chain in Scotland. Payments to businesses will be made before the end of March 2022.

As we have done throughout the pandemic, we have worked closely with businesses to understand the impact of the Omicron variant and the necessary restrictions introduced. Businesses asked us, where possible, to target funds at those most impacted by measures introduced in December, rather than blanket funding. It takes a bit longer to get these targeted schemes set up and therefore money paid out, but means businesses hardest hit will get more money.

As with all our previous business support funding, the Scottish Government will publish management information on funding paid out to businesses.

I hope this update is helpful.