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29 October 2020

Nicola Sturgeon
First Minister
Scottish Parliament
Edinburgh
EH99 1SP

Joint Statement in response to Scottish Government's Tier Framework

Dear Ms Sturgeon

We have all been working together as partners in response to Covid-19, trying to minimise the extent of economic harm to the city as a result of the virus. We understand the need for health protection levels to be identified as part of the on-going response to the pandemic, and welcome the corresponding public health interventions provided by the Scottish Government's Strategic Framework for each health protection level.

However, we feel that the approach adopted by government does not in practice give equal consideration to the four harms outlined in the framework. Aberdeen has experienced a greater extent of economic harm due to the city lockdown in the summer and recently published data suggests that we are seeing some concerning trends in terms of our local economy. Economic harm should be seen as a significant factor in decision making around the levels.

For those reasons, we believe that Aberdeen should be placed on Level 1 of the restrictions rather than Level 2 to try and mitigate the economic harm now.

Aberdeen and its businesses have always complied with the regulations as they have been introduced. We have implemented a number of measures to ensure that the city's economy could operate while maintaining appropriate physical distancing, including Spaces for People, the Aberdeen Hospitality Together's 10-point Plan and the Council's Socio-Economic Rescue Plan as the city emerged from national lockdown in July. Footfall levels in the city centre were beginning to rise and Aberdeen City & Shire Hotels Association reported that pipeline demand was showing signs of some recovery. Businesses were also going beyond

Government guidance in terms of implementing processes and procedures for physical distancing.

However, the city was then placed under a local lockdown for three weeks in August and average footfall levels fell to around 50% of June/ July levels, and the food and drink sector lost the benefits of the Eat Out to Help Out scheme operating at that time.

The hotel sector is struggling to get revenues back to levels even prior to local lockdown, and that initial pipeline demand has not returned. Accommodation bookings and wider spend depend on travel from different regions of Scotland, the UK and internationally, and city centre hotel demand is predominantly driven by business travel.

Unemployment in the city has more than doubled between March and September, and the number of people receiving universal credit assistance has more than doubled to more than 17,000 people. At the same time, we have seen a significant decrease in the total number of job vacancies in the city, and, looking at notified potential redundancies, the city accounts for 35% of all Scottish notifications, some 6,400 jobs. Our concern is these levels are more than four times that of Edinburgh and six times that of Glasgow; the impact is apparent across sectors, and we are seeing a significant proportion in hospitality.

All of this has an impact on confidence and the messaging of Aberdeen as an international business location. We are concerned about the legacy effects on the city and the economic harm beyond the immediate challenges we face, and particularly the impact on lower income households. As a matter of urgency, we need to send a signal of confidence in Aberdeen to businesses – within the city region, and to UK and international business and investors.

Collectively we are calling on government to:

1. Place Aberdeen into Level 1 at the nearest possible review point. If the Scottish Government believes this is not possible, given the urgency of the challenging economic situation and declining prevalence of the virus in the region, it should set out an indicative date for when Aberdeen will be able to move into Level 1 immediately, and when it expects Aberdeen to be able to move into Level 0.
2. In the short term, businesses in areas moving between levels need to be alerted as soon as possible to allow them to prepare for any further scheduling. We encourage Government to continue to engage with us through the dedicated Task Force formed from within the local Business Resilience Group that was set in response to Covid-19. We need clarity around the any weekly reviews and how changes are notified to those affected.
3. The Scottish Government must work alongside local authorities and business to develop a more ambitious forward-looking pathway to sustainably reopen all sectors of the economy in the months ahead and allow us to build towards recovery. A refreshed routemap should be created which focuses on resolving some of the key challenges which are creating serious economic harm. In particular this should address the safe re-opening of offices, put forward practical solutions and timescales to allow



leisure and corporate travel to resume, and set out steps to work with the hospitality sector to ease restrictions which are putting businesses at severe risk.

Signed
Co Leaders, Aberdeen City Council

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