



**Alyn Smith MP**  
Member of Parliament for Stirling

House of Commons  
London SW1A 0AA

**Shona Robison MSP**  
**Cabinet Secretary for Finance**  
**Scottish Government**

Sent via email  
Our ref: AL15107

23rd November 2023

Dear Shona,

### **Scottish Budget 2024/25 – Need to Support Hospitality Businesses**

I write ahead of the draft Scottish budget on 19 December to press the need to support Scotland's hospitality sector through additional Non-Domestic Rates relief. I keenly appreciate the budget process is never an easy one, but especially now given the economic shambles the UK government has created for us. However, hospitality businesses are crucial to Stirling and particularly the vitality of our rural villages in so many ways I believe they deserve enhanced support.

The UK Chancellor's Autumn Statement undoubtedly creates difficulties for devolved governments and puts pressure on already strained budgets. Without full borrowing powers, the task of ensuring budgets are balanced and that public services are supported to the degree required becomes increasingly difficult.

Hospitality businesses, in my constituency and across the country are similarly feeling the impacts of Westminster's cost of living crisis. Statistics shared with me from the Scottish Beer & Pub Association showed a 43% increase (on 2019 figures) in combined cost pressures ahead of the Autumn Statement which have only been exacerbated since. The failure of the UK Government to reduce VAT rates – something not within the gift of devolved governments – will also have major negative impacts for the sector. I am sure you share my disappointment that this clean, quick and straightforward way to boost the bottom line of hospitality turnover was not taken by the UK government.

For the hospitality sector in England however, the 75% relief for NDR (up to £110,000 per business) gives these businesses much needed support to offset the increase in costs. It is my view that replicating in Scotland this level of support is urgently required to avoid further closures in the sector, to support workers, and help maintain the vitality of our high streets in cities, towns and villages.

Support from the Scottish Government previously exceeded that offered by the UK Government during the pandemic. The energy crisis (which has seen bills for pubs and bars increase on average 120% from 2019), increased labour, food and drinks costs, a reduction in consumer spending power, and increased tax pressures means that the sector requires more support now. It is going to be a long Winter and I fear many businesses will not make it.

**Alyn Smith MP**  
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I do hope that the Scottish Government implements, at least, a 75% rates relief for our much-loved pubs and bars, which employ over 1350 in my constituency and 61,900 across Scotland. Longer term, I am very drawn to the idea of a permanent 35p NDR multiplier for licensed hospitality, to give the sector certainty in the years ahead and provide added incentive to invest in these businesses in Scotland.

Yours aye,

A handwritten signature in blue ink, reading 'Alyn Smith'.

Alyn Smith MP  
Stirling