



House of Commons  
London SW1A 0AA

Rt Hon Jeremy Hunt MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
London  
SW1A 2HQ  
United Kingdom

Tuesday 20<sup>th</sup> February 2024

Dear Jeremy,

**RE: VAT Cut to 5% for the Hospitality Sector**

Following a collaborative Westminster Hall debate on Wednesday 31<sup>st</sup> of January on Fiscal Support for the Hospitality Sector, we are writing to you to express our strong support for a VAT cut to 5% for the Hospitality sector.

The hospitality sector is a vital social as well as economic infrastructure across our communities. These businesses give a sense of place, provide vital local social facilities, attract visitors, provide vital employment and have a real impact on the identity and vibrancy of our communities, rural and urban.

As has been expressed to you on previous occasions, the hospitality trade is in big trouble. Inflation, scarcity and cost of labour, skills shortages, energy and other input costs are all creating a uniquely challenging trading environment for the hospitality trade. They need help now and a cut in their VAT rate would work wonders as well as bring the UK's VAT rate in line with other European countries.

A VAT cut would be proportionate, clean, easy to administer and an effective way to directly boost the bottom line of these crucial businesses. It would not require any complex bureaucracy and administration as a new grant scheme would, it would simply tax less, relative to the turnover of the business. We would be open to the idea of a threshold, perhaps by turnover or employee headcount, to target the support still further to smaller local organisations rooted in their communities.

We keenly appreciate that the economic situation is challenging, and that every pound is a prisoner. But the consequences, social as well as economic, of losing as many



House of Commons  
London SW1A 0AA

hospitality businesses as we fear are at grave risk, represent nothing less than a death knell for many rural communities, as well as empty streets in our towns and cities.

Although we come from different political parties, we will work with anyone to support these businesses, and hope that you will consider afresh our proposal.

Thank you and we look forward to hearing from you.

Yours aye,

Alyn Smith MP

Richard Thomson MP

Tobias Ellwood MP

John Nicolson MP

Angela Crawley MP

Pete Wishart MP

Philippa Whitford MP

Gavin Newlands MP

Stuart McDonald MP

Amy Callaghan MP

Stewart Hosie MP

Alan Brown MP

Anne McLaughlin MP

Ian Blackford MP

Stewart McDonald MP

Allan Dorans MP

Martyn Day MP

Douglas Chapman MP

Tommy Sheppard MP

Deidre Brock MP

Patricia Gibson MP