



6 December 2022

John Swinney MSP  
Deputy First Minister  
St Andrew's House  
Regent Road  
Edinburgh EH1 3DG

Dear Deputy First Minister

Many thanks for your letter dated 5 December inviting UKHospitality Scotland to participate in the Joint Taskforce on Business Regulations. I have responded and look forward to being involved in this important forum.

I also want to highlight the challenges a significant number of my members face following the draft business rate valuations which were published last Wednesday. Having had the opportunity to speak with businesses, it appears rural hotels have been hit with significantly increased rateable values. This is despite numerous conversations with the Scottish Assessors Association - directly and in the Scottish Ratepayers Forum - where the challenges faced by businesses was explained very clearly.

To illustrate the challenge brought by accelerating business costs and weakening consumer confidence, several of my rural based members are closing completely for the winter or reducing service. This includes closing over Christmas and Hogmanay. Losing the opportunity to trade at this crucial time is a severe blow for businesses, creating further financial jeopardy next year. Now they face potentially increased business rates from April.

With the Scottish Budget coming next week there is the opportunity to provide a lifeline via a competitive poundage rate to assist our businesses. The need for this was highlighted in the recent business groups letter to which UKHospitality Scotland was a signatory.

However, it is clear that more support will be needed from April, at least in line with that given to businesses in England through the UK Government's Budget. As well as the need to see a substantial reduction in business rates for the sector, targeted sectoral support will see the Scottish Government help reduce business costs, ensuring that jobs and our businesses survive and play their part in our nation's economic recovery.

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Hospitality businesses are the cornerstone of high streets and communities across Scotland; it is imperative they are given a fighting chance with support in the Scottish Budget next week.

As ever I would be happy to discuss these points with you or your officials.

Yours sincerely

**[redacted]**

Executive Director