



Dear Prime Minister,

Your Government's clear message from Conservative Party Conference was abundantly clear: you want a higher-skilled, higher-wage, higher productivity workforce. All of us in the hospitality and tourism sectors share that ambition and our businesses are present in all parts of the country, including, crucially, towns around the country that have been left behind, including coastal areas. We will be critical to your levelling-up agenda and we are eager to play our part.

**To facilitate our role there is one crucial lever that Government can pull – to keep VAT at 12.5%.**

The reduced rate of VAT has been critical in the survival of many jobs and businesses in our sector, but it is even more important to our future role in the economy.

The pressures on business at present are well-documented and are already creating inflationary pressures. Increasing VAT for our sectors back to 20% will push many to breaking point. Retaining it at 12.5% will relieve upwards pressure on prices and will leave people with more money in their pockets, while delivering on our shared goals as set out above.

It would also enable us to invest in our people with higher wages and better training opportunities; support our high streets and communities, where our businesses bring people together; and help deliver a greener future, unlocking capital to speed up our programme of decarbonisation.

Of course, there are other challenges facing our sector, including business rates, where reform will help spur urban regeneration. But we are all agreed that the single biggest action Government could take to ensure we maximise our contribution to our nation's economy and wider community and deliver on our shared goals is to keep VAT at 12.5% on a permanent basis.

Yours sincerely,

Kate Nicholls OBE, CEO, UKHospitality

Sacha Lord, Night Time Economy Advisor for Greater Manchester

UK Music

Association of International Retail

Association of Leading Visitor Attractions

Association of Serviced Apartment Providers

British Holiday & Home Parks Association

British and Irish Association of Zoos and Aquariums

Heart of London Business Improvement District

Holiday Home Association

Hospitality Ulster

London First

Manchester BID

NE1 Business Improvement District (Newcastle)

New West End Company

Night Time Industries Association

Norwich Business Improvement District

Professional Association of Self Caterers

Scottish Chambers of Commerce

Scottish Tourism Alliance

Tourism Alliance

UK Golf Federation

Welsh Tourism Alliance