

Dear xxxx

UK GENERAL ELECTION 2024 – EDINBURGH CHAMBER OF COMMERCE ASKS

Firstly, on behalf of the Edinburgh Chamber of Commerce, I'd like to congratulate you on your recent selection as a candidate in the upcoming UK General Election. As you will be aware, the UK stands at a pivotal point, and there is an urgent need to address our stagnant economy, reverse persistent low productivity rates, find meaningful solutions to our labour and skills challenges and address the economic inequality which exists in our society.

As the voice of the business community in Edinburgh, we firmly believe that a productive and thriving economy is the key to addressing many of the wider societal challenges we face. We are therefore taking a keen interest in the outcome of this election and the impact that elected members will be able to make on the economic and commercial landscape of our city. For these reasons, we write to you on behalf of our almost 1,000 members from Edinburgh and beyond to highlight some key asks we are issuing to all candidates ahead of polling day:

- We need a re-setting of the relationship between different levels of Government. We have previously called for a re-setting of relations between government and business, however, recent events have brought the state of relations between all levels of government (UK, Scottish and local) into sharp focus. With a new First Minister in Holyrood and election at Westminster, we believe there is a unique opportunity for governments at all levels to work more closely together to deliver the kind of prosperous economy we need. Feedback from members reveals a growing frustration with the current blame culture between different elements of government – this needs to fundamentally change to enable the kind of collaborative effort required to grow our economy.
- Aligned to this ask, for some time now, one of the major issues our members have raised with us is the need for an extended period of calm and stability in both our politics and policy making. Uncertainty and instability are the enemies of economic growth, impacting critical investment, forward planning and ambition. Business needs a stable environment to thrive, and we need our policy makers to play their part in creating the best possible conditions to deliver the stable and sustainable growth we need.
- A strong, productive, and successful economy should be a priority and no longer considered something we should be ashamed of. We believe that the only way the UK Government can address some of the societal and fiscal challenges we face is by growing our way out of them. Only through sustainable growth, significant improvements to productivity, and the creation of high quality jobs can we raise the vital tax revenues necessary to support our wellbeing ambitions and address inequalities. We should therefore not hide our economic ambitions, but encourage them and nurture them, for the benefit of all.

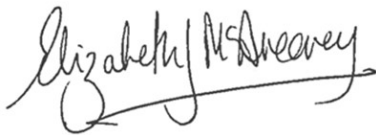
In terms of more specific policies:

- Lowering VAT for Hospitality. The UK has one of the highest rates of VAT for hospitality in Europe, which is a significant drag on our competitiveness on the world stage. We saw the impact that a lower rate of VAT for hospitality had when it was introduced during the pandemic – stimulating demand and generating revenue. Data produced by UK Hospitality suggests that a reduced rate would deliver higher growth, boost employment, lead to lower consumer prices and ultimately be cash-generative for the Treasury, contributing to Government debt reduction. Based on a reduced rate of 12.5%, they estimate it would deliver;

- Growth: Additional sales of £7.7 billion in 10 years – c.5%
- Inflation: 3% reduction in prices based on 50% pass-through
- Reducing Government debt: Net fiscal gain for HM Treasury over 10 years of £4.6 billion
- The re-introduction of tax free shopping. This is an issue we have long campaigned for both directly and via Scottish and British Chambers of Commerce. According to the Association of International Retail, the evidence of actual spending by non-EU visitors to Europe in 2022 shows a £1.5 billion spending loss as a result of ending tax-free shopping, whilst the evidence of British people shopping tax-free in the EU suggests that Britain is missing out on a unique new £10 billion market which would not be so focused on London.
- Transform the National Grid and outline plans for future energy sources. The UK government should ensure that there is sufficient network capacity and flexibility to deliver energy needs fit for Net Zero. Grid transmission must be dramatically upgraded and increased as proposed by the Electricity Networks Commissioner, and the distribution network should be modernised to facilitate recharging for electric vehicle charging and distributed renewable generation. The government should also set out a strategy for the role of hydrogen in the UK's future energy mix, and provide a clear, long-term plan that sets out how it will meet its ambitions for nuclear generation, and create an enabling environment to speed up the rollout of renewable energy from all sources.

The platform you seek at a UK Government level is of great significance to our members, and we look forward to working with you to understand more about your plans to support and enhance the business environment in Edinburgh, and how we can work together to deliver a thriving and productive economy that works for everyone.

Yours sincerely,

A handwritten signature in black ink, reading 'Elizabeth McAreavey'. The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Elizabeth McAreavey

Chief Executive, Edinburgh Chamber of Commerce