

Dear Councillor Maggie Fillipova-Rivers and SODC,

Thank you for taking the time to email about the support needed for hospitality businesses and the rising costs they are facing with increasing business rates, national insurance contributions, and energy costs.

Small businesses, are the backbone of our local economy, creating jobs, choice and innovation, yet too often they're treated as an afterthought. After years of rising energy costs, higher interest rates and fixed overheads like business rates, the last thing businesses need is more instability or new taxes on jobs.

Liberal Democrats believe the business rates system is fundamentally broken. It taxes businesses for simply existing, takes no account of profit, and hits high-street retailers far harder than online giants. That's why we're calling for a full overhaul, replacing business rates with a fairer Commercial Landowner Levy that shifts the burden away from tenants and supports investment in town centres.

Pubs, restaurants, music venues and hospitality businesses employ large numbers of young people and part-time workers, often providing a first step into employment. They also play an irreplaceable role in bringing communities together, and when a pub closes, communities are weakened.

Businesses are already under severe pressure from soaring energy bills, high rents, increased national insurance contributions, rising wages, new regulation and sharp business rates increases. Taken together, these changes are placing unsustainable strain on small businesses and publicans.

Liberal Democrats are particularly concerned that the Government promised permanently lower business rates for retail, hospitality and leisure, but has not used the full powers it gave itself to deliver that support. The current direction is making it harder to run a local business.

Liberal Democrats will continue to campaign for a fairer deal that supports small businesses rather than squeezing them, because strong local businesses mean strong communities and a stronger economy for everyone.

Freddie signed an Early Day Motion (EDM), tabled by my colleague Helen Maguire MP, calling for greater support for local businesses. A link to the EDM can be found [here](#).

Liberal Democrat, Daisy Cooper MP, has been very vocal about her stance on increasing business rates and the effect on the economy. A link to our policy can be found [here](#).

In January, as you mentioned the Government announced a [relief package for pubs](#), this means 15% of the planned business rates hike will be discounted for pubs, while hotels will receive limited relief later. This half-hearted U-turn still leaves many pubs facing a business rates hike on top of the jobs tax, while doing nothing for shops, restaurants, cafes, soft play centres and other treasured local high street businesses.

Ministers must apologise to publicans for the months of uncertainty and worry they caused, and the Government must press ahead with the full 20p discount it promised to every retail hospitality and leisure business, and back our call for an emergency VAT cut for hospitality until April 2027.

Daisy Cooper MP raised in Parliament that if the Government are serious about saving the high street these measures can only be the start, with it offering nothing for the rest of retail, hospitality and leisure sectors- who need support for their business, investment and hiring decisions. They also asked the Minister to direct the CMA to look at the energy market, and look at the Liberal Democrat proposal to slash VAT until April 2027, you can read her intervention [here](#).

Freddie also spoke in this debate raising that pubs and hospitality businesses have been left worse off and asked the Government to consider the Liberal Democrat proposal for an emergency 5% cut in VAT for hospitality, which you can read [here](#).

The Liberal Democrats have also released press releases on the [impact of business rates on pubs](#) and the [importance of hospitality for growth, jobs and community](#).

Where many people share your frustration is feeling that decisions are made too far away from real communities. That's why Lib Dems push for more local decision-making, so councils and communities can prioritise what they actually need—whether that's business support, transport, or community services.

Our office have been sharing with constituents the work you have been working on including the proposal for business rates relief funded by the council.

The Government's announced 15% business rates relief for [Pubs and Live Music Venues Relief](#) is explained by South Oxfordshire District Council [here](#) but they also explain that the local council has decided that this relief will apply on top of any [transitional relief](#) or [supporting small business relief](#) businesses are eligible for, and they are open to discuss what relief businesses are eligible for.

Freddie has tabled written question on this to the Government [here](#) and [here](#).

The Liberal Democrats believe a healthy economy depends on small businesses, working families, and practical, sensible investment

Thank you again for contacting me about this issue and do not hesitate to contact our office in the future, if you would like us to forward your letter or pass on your concerns to the Treasury and Department for Housing, Communities and Local Government please do let us know.

Caseworker for Freddie van Mierlo MP

Henley & Thame Constituency