



Kevin Hollinrake MP  
Minister for Enterprise, Markets and Small Business

**By Email**

7 June 2023

Dear Kevin,

**Re: Support for Small Businesses**

I am writing to you on behalf of small businesses across Inverness, Nairn, Badenoch & Strathspey to back calls from the Federation of Small Businesses to increase in the VAT threshold for small businesses from £85,000 to £100,000, and in future link threshold increases to RPI.

In their recent report 'The Growth Belt: Supporting Rural Communities' the FSB identify key actions that your Government can take to support small businesses across rural communities, including the urgent need for an increase in the VAT threshold.

In my constituency, and indeed across the nations of the UK, small and micro businesses are grappling with the stark reality of an economic crisis. Rising inflation and the cost-of-living crisis have exacerbated their struggles. They need immediate interventions to help them with these impacts.

I am urging you to act, in your capacity as the Minister for Small Business by representing their immediate needs to the Chancellor and to intervene to support these businesses.

Previous studies by the FSB indicate that 24% of small businesses perceive the VAT limit as an obstacle to expansion, as they try to prevent the abrupt expenses associated with exceeding this limit in an effort to maintain customer affordability. This predicament has become more acute because of the staggering rises in inflation and the ongoing impacts of Brexit, making growth a costly enterprise for small businesses.

A revision of the VAT limit upwards will help substantial number of small and micro businesses to invest in growth— for others it will allow them to keep their doors open.

Our small businesses, the entrepreneurs who drive them, and the communities they serve need the UK Government to act. They cannot afford to wait until the next budget to hope that their calls will be answered.

I look forward to hearing from you.

Kind Regards,

**Drew Hendry MP**

Member of Parliament for  
Inverness, Nairn,  
Badenoch & Strathspey

Scottish National Party  
Foreign Affairs  
Westminster Spokesperson