BiGGAR Economics

Economic Impact of Scenarios for Scottish Hospitality

DIAGEO

A Report from

BiGGAR Economics

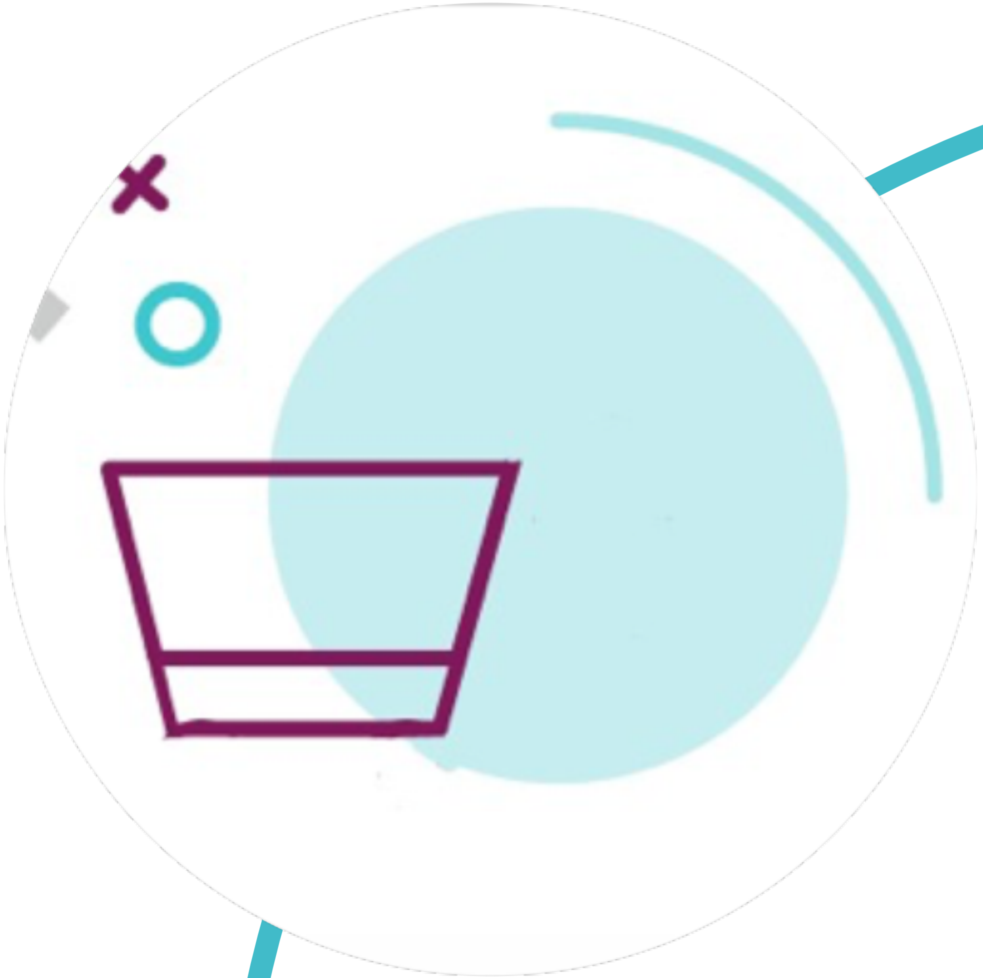
11th December 2020

 —

Contents

Key Findings

Economic impact of different restrictions on the Scottish hospitality sector



Baseline: Economic Impact of the Sector in 2019

In 2019, pre COVID-19, the sector accounted for **5,675 businesses** across Scotland and generated a **turnover of £2.0 billion.**

Economic Impact

The sector generated **£1.8 billion** (£1,779 million) in economic output, measured by **Gross Value Added (GVA)**, of which:

- £1,069 million GVA came from direct impacts
- £522 million GVA from supply chain impacts
- £189 million GVA from the spending of employee salaries

The sector also supported **83,400 jobs**, of which:

- 66,400 jobs came from direct impacts
- 11,900 jobs from supply chain impacts
- 5,100 jobs from the spending of employee salaries

Fiscal Impact

In 2019, it has been estimated that the sector was associated with **tax revenues of £812 million.**

Note that this analysis focuses on restaurants and bars.

Specifically, this includes:

- *Licensed Restaurants*
- *Public houses and bars (distinguished between wet-led pubs and other pubs)*

Accommodation-related businesses such as hotels are also subject to similar statistics but such businesses are also subject to restrictions on travel and tourism and so have not been included in the analysis.

Scenarios Considered

Scenario 1	• Restrictions on the hospitality sector as based on the levels in place across Scotland up to 10th December
Scenario 2	• Restrictions on the hospitality sector as based on the levels in place across Scotland from 11th December
Scenario 3	• 10:30pm closing time if serving meals • Limited 2 hour stay, alcohol serviced with meal • Applies to level 1, 2 & 3 areas
Scenario 4	• 10:30pm closing time if serving meals • 8pm closing time if not serving meals • Restrictions on length of stay, drinks, people • Applies to level 1, 2 & 3 areas
Scenario 5	• 10:30 pm closing time for all hospitality businesses • Same restrictions as Scenario 2 • Applies to level 1, 2 & 3 areas

Scenario 1

Under the restrictions as at 10th December, **44% of businesses were operating**, generating a **turnover of £276 million.**

Economic Impact

This scenario supported **£362 million GVA**, of which:

- £128 million GVA came from direct impacts
- £195 million GVA from supply chain impacts
- £39 million GVA from the spending of employee salaries

This scenario also supported **19,100 jobs**, of which:

- 13,600 jobs came from direct impacts
- 4,400 jobs from supply chain impacts
- 1,100 jobs from the spending of employee salaries

Fiscal Impact

Net fiscal cost of this scenario of **-£347 million**:

- -£397 million furlough costs
- +£50 million tax revenues

All figures presented are annualised figures.

Scenario 2

Under the restrictions in place from 11th December, **68% of businesses will be operating,** generating a **turnover of £419 million.**

Economic Impact

This scenario will support **£486 million GVA**, of which:

- £203 million GVA will come from direct impacts
- £222 million GVA from supply chain impacts
- £61 million GVA from the spending of employee salaries

This scenario will also support **28,300 jobs**, of which:

- 21,600 jobs will come from direct impacts
- 5,000 jobs from supply chain impacts
- 1,700 jobs from the spending of employee salaries

Fiscal Impact

Net fiscal cost of this scenario of **-£261 million**:

- -£337 million furlough costs
- +£76 million tax revenues

All figures presented are annualised figures.

Scenario 3

Under scenario 3, **80% of businesses would be operating,** generating a **turnover of £927 million.**

Economic Impact

This scenario would support **£838 million GVA**, of which:

- £400 million GVA would come from direct impacts
- £316 million GVA from supply chain impacts
- £121 million GVA from the spending of employee salaries

This scenario would also support **53,100 jobs**, of which:

- 42,600 jobs would come from direct impacts
- 7,200 jobs from supply chain impacts
- 3,300 jobs from the spending of employee salaries

Fiscal Impact

Net fiscal cost of this scenario of **-£14 million**:

- -£179 million furlough costs
- +£165 million tax revenues

All figures presented are annualised figures.

Scenario 4

Under scenario 4, **100% of businesses would be operating,** generating a **turnover of £1.1 billion.**

Economic Impact

This scenario would support **£947 million GVA**, of which:

- £462 million GVA would come from direct impacts
- £346 million GVA from supply chain impacts
- £140 million GVA from the spending of employee salaries

This scenario would also support **60,800 jobs**, of which:

- 49,100 jobs would come from direct impacts
- 7,900 jobs from supply chain impacts
- 3,800 jobs from the spending of employee salaries

Fiscal Impact

Net fiscal benefit of this scenario of **£63 million**:

- -£129 million furlough costs
- +£192 million tax revenues

All figures presented are annualised figures.

Scenario 5

Under scenario 5, **100% of businesses would be operating,** generating a **turnover of £1.2 billion.**

Economic Impact

This scenario would support **£1,009 million GVA**, of which:

- £499 million GVA would come from direct impacts
- £359 million GVA from supply chain impacts
- £151 million GVA from the spending of employee salaries

This scenario would also support **65,400 jobs**, of which:

- 53,100 jobs would come from direct impacts
- 8,200 jobs from supply chain impacts
- 4,100 jobs from the spending of employee salaries

Fiscal Impact

Net fiscal benefit of this scenario of **£105 million:**

- -£100 million furlough costs
- +£205 million tax revenues

All figures presented are annualised figures.

Comparison Between Scenarios: Economic Impact

The annual economic impacts that would be generated increases under each scenario.

Scenario	% of Businesses Operating	Turnover (£m)	Total GVA (£m)	Total Jobs
Baseline - 2019	*100%*	*2,000*	*1,800*	*83,400*
Scenario 1	44%	276	362	19,100
Scenario 2	68%	419	486	28,300
Scenario 3	80%	927	838	53,100
Scenario 4	100%	1,100	947	60,800
Scenario 5	100%	1,200	1,000	65,400

All figures presented are annualised figures.

Comparison Between Scenarios : Fiscal Impact

The annual net fiscal impact improves under each scenario.

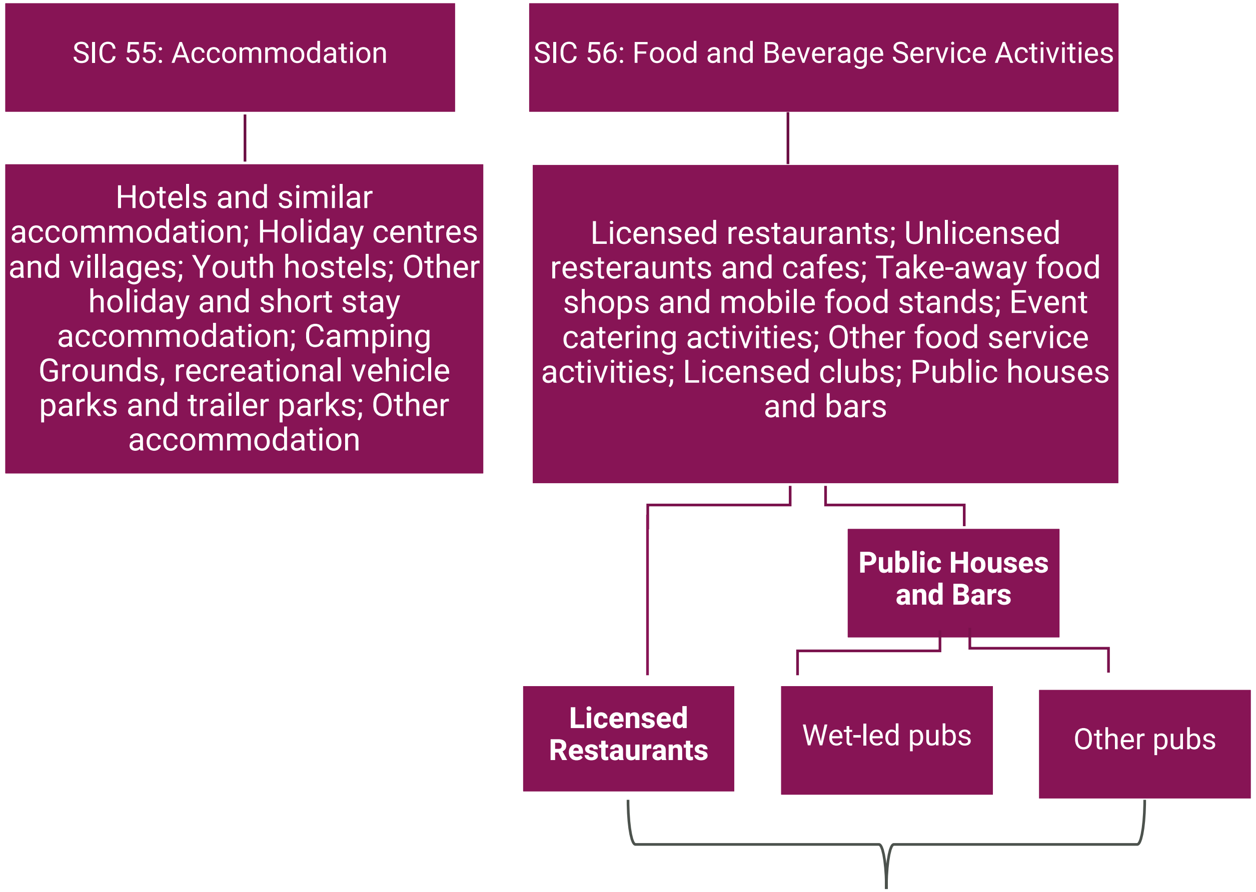
Scenario	Furlough Costs (£m)	Total Tax Revenue (£m)
Baseline - 2019	*0*	*+812*
Scenario 1	-397	+50
Scenario 2	-337	+76
Scenario 3	-179	+165
Scenario 4	-129	+192
Scenario 5	-100	+205

All figures presented are annualised figures.

Baseline

This section sets out the economic impact of the Scottish hospitality sector in 2019 (pre COVID-19).

Definition of the Hospitality Sector



The definition of the sector used in this study

This analysis focuses on restaurants and bars.

Specifically, this includes:

- Licensed Restaurants; and
- Public houses and bars (distinguished between wet-led pubs and other pubs)

Accommodation-related businesses such as hotels are also subject to similar statistics but such businesses are also subject to restrictions on travel and tourism and so have not been included in the analysis.

Businesses in Scottish Hospitality pre-COVID 19

The number of hospitality businesses in Scotland has grown by 1% over the last decade.

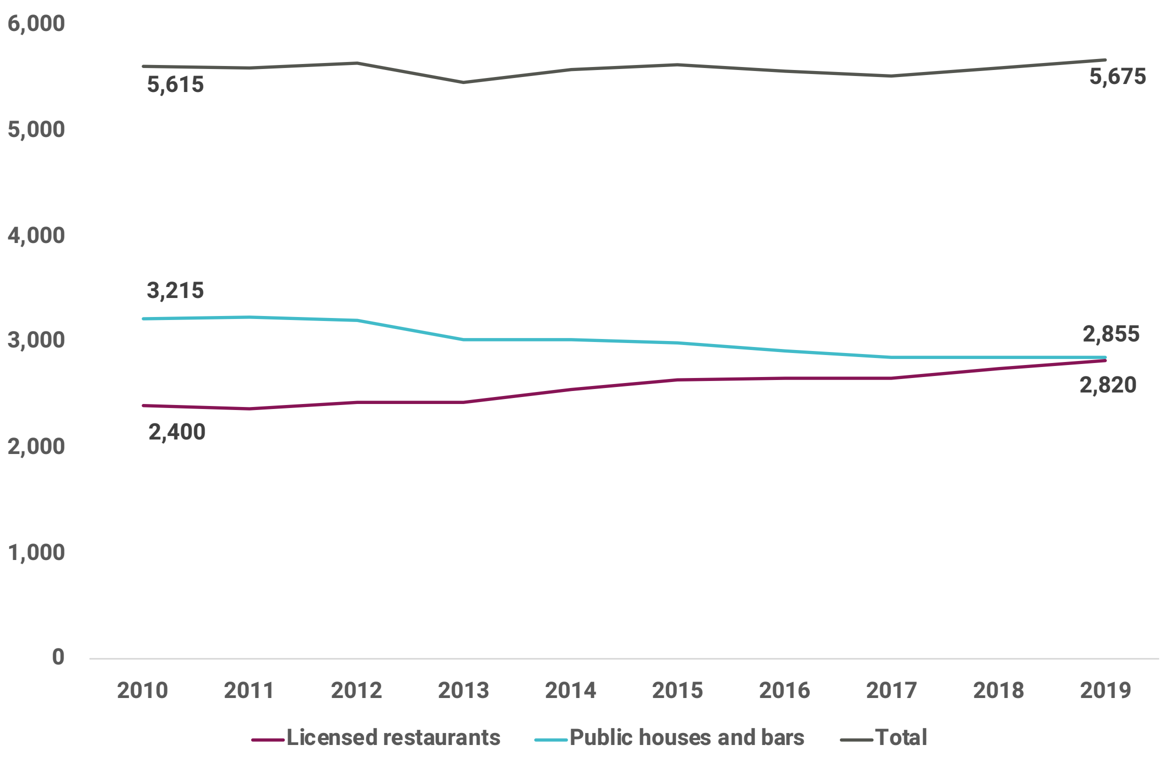
In 2019, there were **5,675 businesses** in the sector, including:

- **2,820 licensed restaurants; and**
- **2,855 public houses and bars**

Between 2010 and 2019:

- **The number of businesses in the sector remained largely unchanged increasing by 1% across Scotland**
- **Trends were different across pubs and restaurants with**
  - the number of licensed restaurants increasing by **18%**
  - the number of public houses and bars decreasing by **11%**

Number of Hospitality Businesses in Scotland, 2010 - 2019



Source: ONS (2020) UK Business Counts

Employment in Scottish Hospitality pre COVID-19

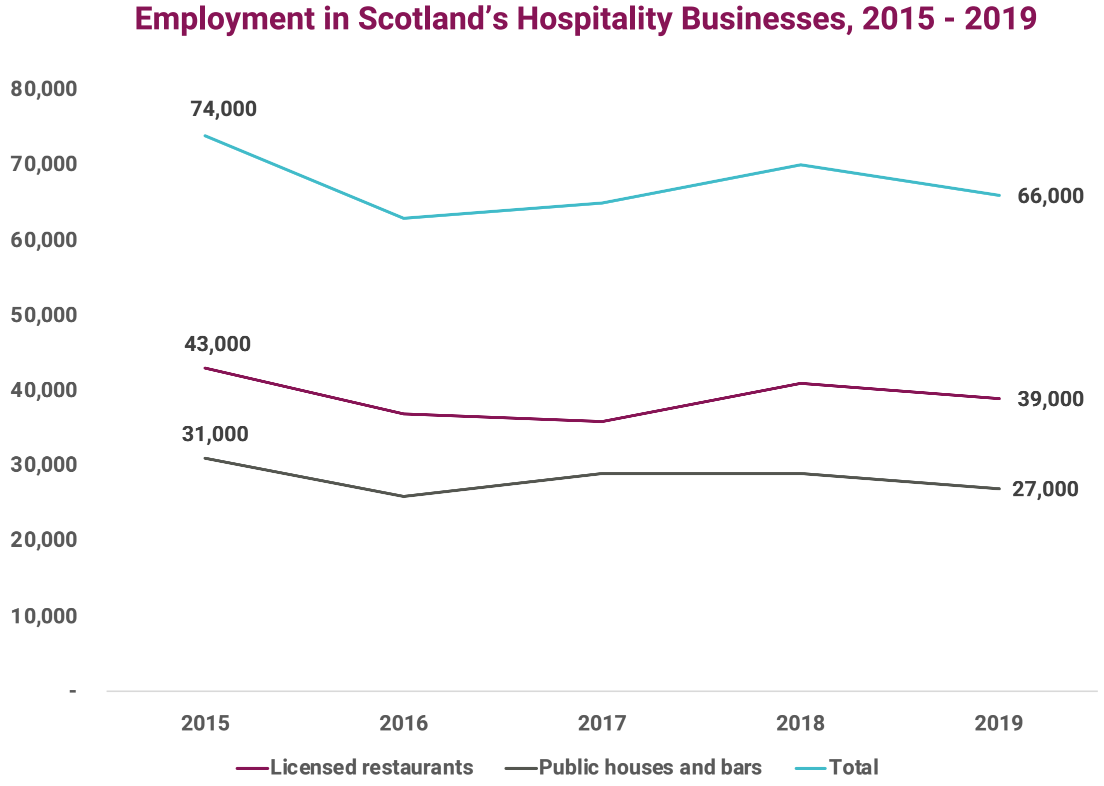
Employment in the Scotland's hospitality sector decreased 11% between 2015 and 2019.

In 2019 the sector employed **66,000 people**, of which:

- **39,000 in licensed restaurants**
- **27,000 in public houses and bars.**

Between 2015* and 2019:

- employment in the sector as a whole decreased by **11%**
- employment in licensed restaurants decreased by **9%**
- employment in public houses and bars decreased by **13%**



Source: ONS (2020) Business Register and Employment Survey

*data unavailable before this date

The Economic Impact of Scottish Hospitality in 2019

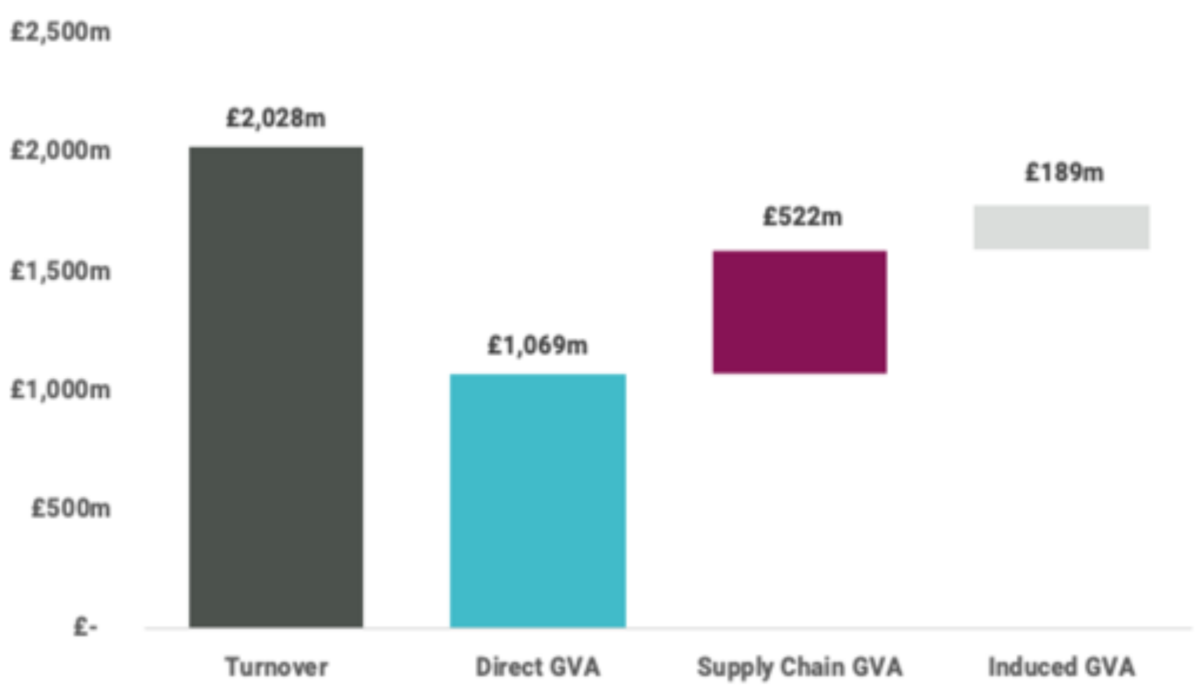
In 2019, pre COVID-19, the sector accounted for **5,675 businesses** across Scotland and generated a **turnover of £2.0 billion.**

The sector generated **£1.8 billion** (£1,779 million) in economic output, measured by **Gross Value Added (GVA)**, of which:

- £1,069 million GVA came from direct impacts
- £522 million GVA from supply chain impacts
- £189 million GVA from the spending of employee salaries

The sector also supported **83,400 jobs**, of which:

- 66,400 jobs came from direct impacts
- 11,900 jobs from supply chain impacts
- 5,100 jobs from the spending of employee salaries



Fiscal Impact of Scottish Hospitality in 2019

The Hospitality Sector Contributes to Government Revenue

The hospitality sector pays and collects a series of taxes, including:

- Non-Domestic Rates
- Corporation Tax
- National Insurance (Employee and Employer)
- Income Tax
- Value Added Tax
- Alcohol Duty

In 2019, it has been estimated that the sector was associated with **tax revenues of £812 million.**

COVID-19

This section describes the impact of the COVID-19 restrictions on the operation of hospitality businesses in Scotland.

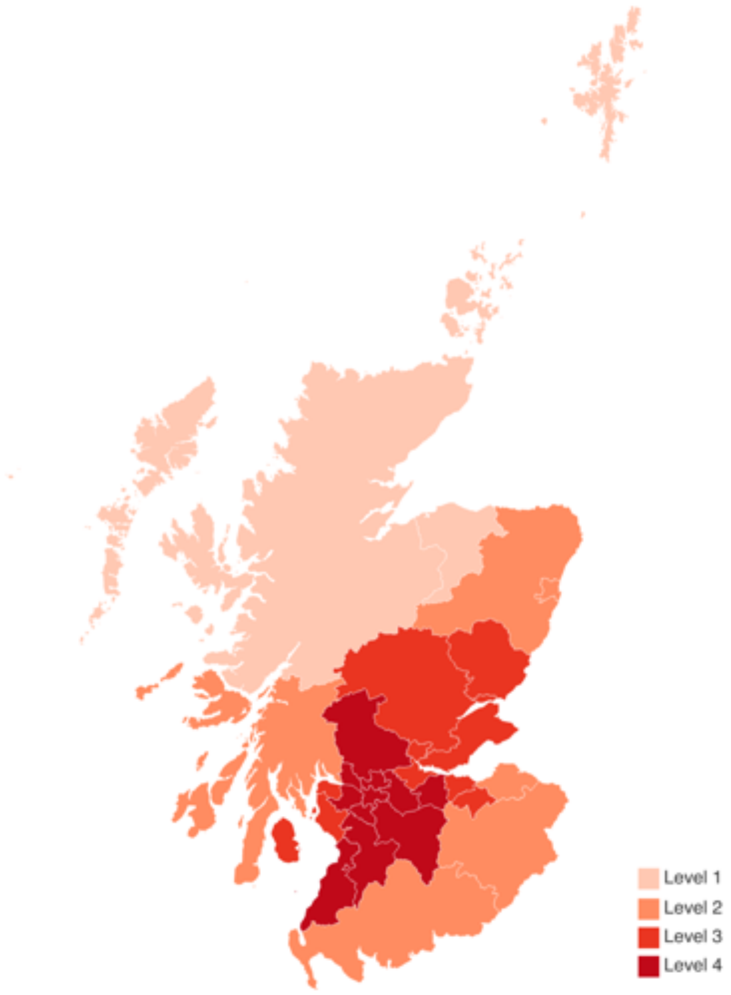
Scotland Current Restrictions on Hospitality by Level*

Scotland is currently operating a 'tier' system at the local authority level. Current hospitality (restaurants, cafes, bars & public houses) restrictions for each level are defined as:

- **Level 0** : **Normal licensing times** apply indoors and outdoors
- **Level 1** : Last entry **21:30** and closed by **22:30** indoors and outdoors
- **Level 2** : Last entry **19.00** and closed by **20.00 indoors, alcohol only permitted with main meal**. Last entry **21:30** and closed by **22:30 outdoors**
- **Level 3** : Last entry **17.00** and closed by **18.00, no alcohol,** indoors and outdoors
- **Level 4** : **Closed**

** Restrictions as from 2nd November. Source: Scottish Government (2020), Coronavirus (COVID-19): tourism and hospitality sector guidance.*

Restriction Levels by Local Authority: November 2020



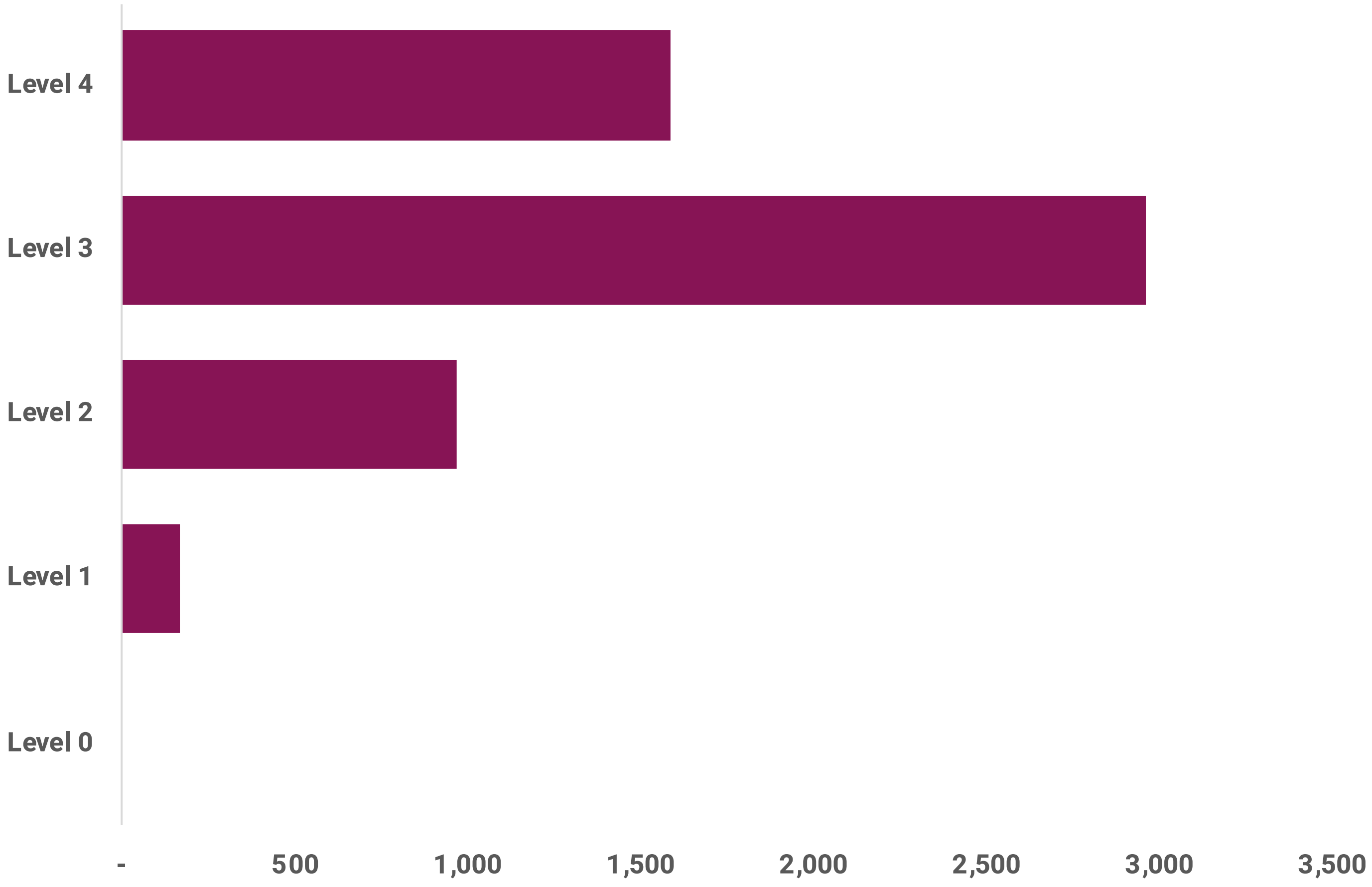
Up to 10th December, there were:

- **0 local authorities in Level 0**
- **5 local authorities in Level 1**
- **6 local authorities in Level 2**
- **10 local authorities in Level 3**
- **11 local authorities in Level 4**

Around **75%*** of the Scottish population live in local authorities under **Level 3 or 4** restrictions.

*Source: National Records of Scotland (2020) Mid-population Estimates, 2019

Hospitality Businesses by Level: November 2020



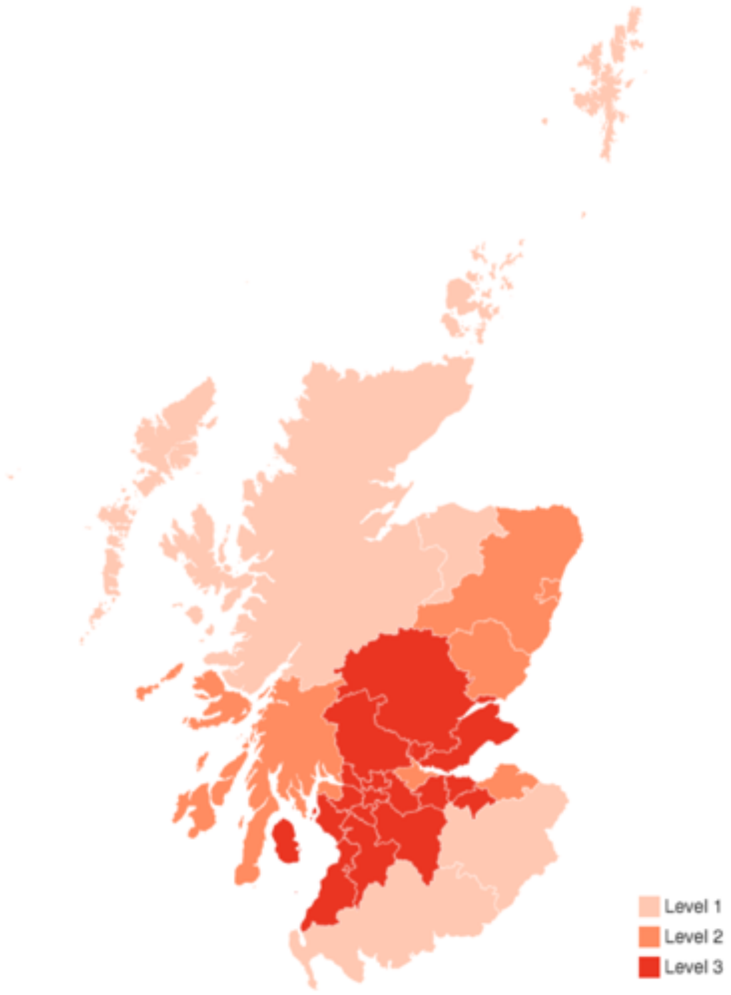
Source: ONS (2020) UK Business Count by Local Authority, 2019

Of the **5,675** hospitality businesses included in the analysis, up until 10th December:

- **1,585 (28%) are located in a Level 4 restriction area**
- **2,960 (52%) in Level 3**
- **1,130 (20%) in Level 1 or Level 2**

Four in five hospitality businesses were either within Level 4 or Level 3 areas

Restriction Levels by Local Authority: from 11th December



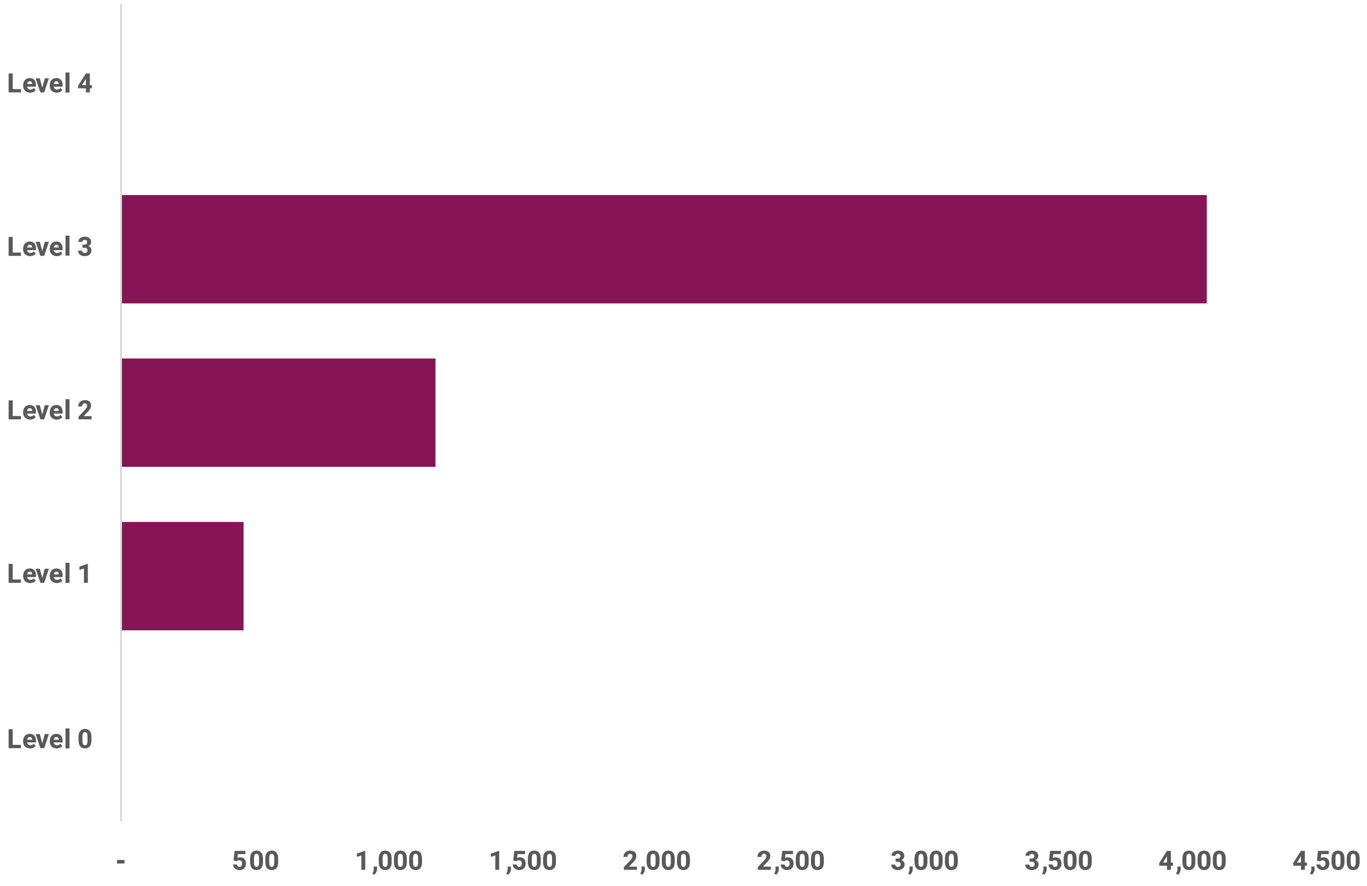
From the 11th December, there are:

- **0 local authorities in Level 0**
- **7 local authorities in Level 1**
- **7 local authorities in Level 2**
- **18 local authorities in Level 3**
- **0 local authorities in Level 4**

Around **70%*** of the Scottish population live in local authorities under **Level 3** restrictions.

*Source: National Records of Scotland (2020) Mid-population Estimates, 2019

Hospitality Businesses by Level: from 11th December



Source: ONS (2020) UK Business Count by Local Authority, 2019

Of the **5,675** hospitality businesses included in the analysis:

- **0 are located in a Level 4 restriction area**
- **4,050 (71%) are located in Level 3**
- **1,625 (29%) are located in Level 1 or Level 2**

Effects of Measures on Employment – Furlough

In Scotland, **7%** of all employees eligible for the scheme were furloughed in November 2020.

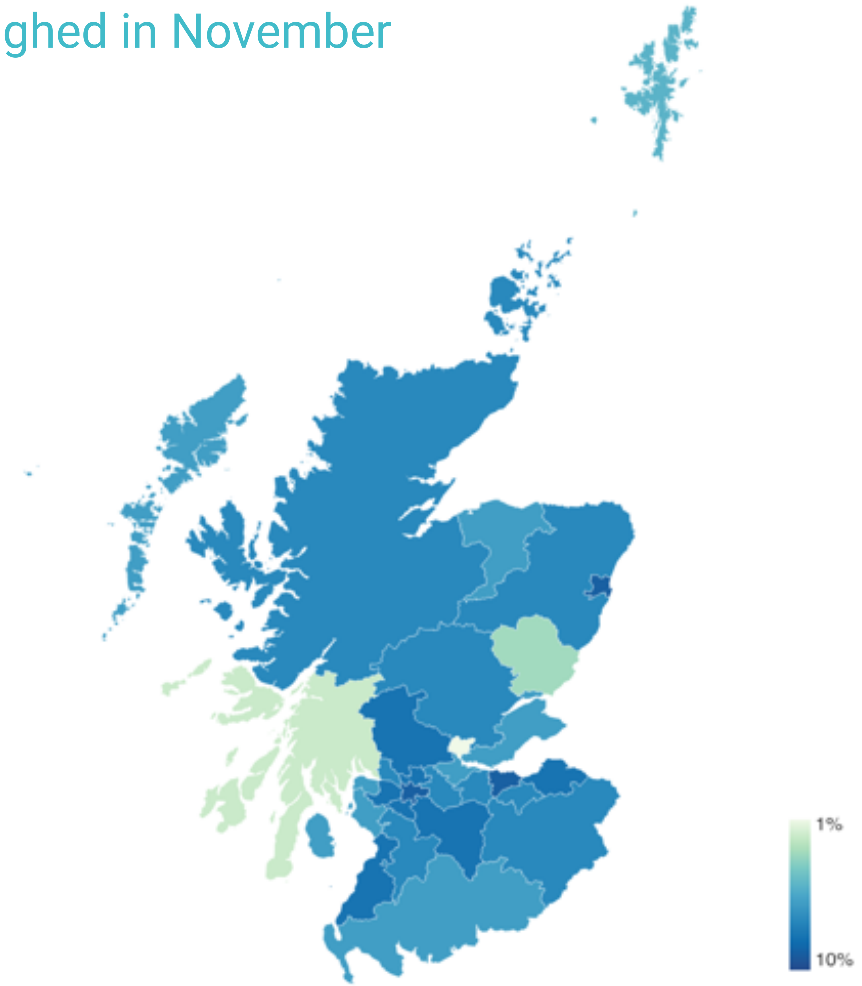
The effect of furlough is highest in:

- **Aberdeen City**
- **Glasgow City**
- **City of Edinburgh**

where **9%** of all those eligible are currently furloughed.

The effect is lowest in:

- **Argyll & Bute (2%)**
- **Angus (3%)**



Source: HMRC (2020) Coronavirus Job Retention Scheme Statistics: November 2020

Furlough and Hospitality

Areas with higher proportions of the working population working in hospitality are associated with a higher proportion of workers furloughed.

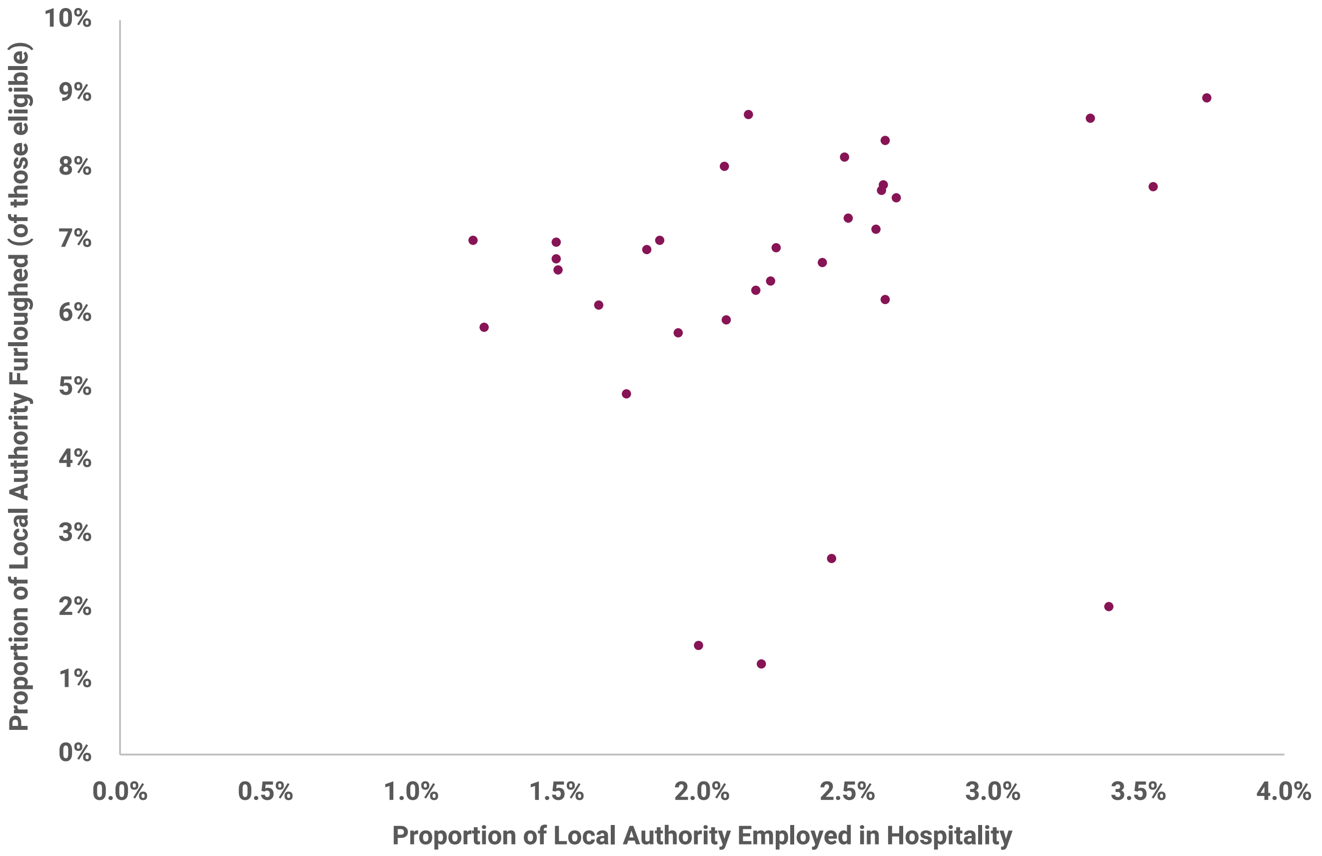
Withstanding some outliers, there is an evident upward trend associated with an increase in the proportion of the local population employed in hospitality and the proportion of the local population currently furloughed.

This is most prevalent in:

- **City of Edinburgh**: where **4%** of the local population are employed in hospitality and **9%** are furloughed

Whereas in:

- **Shetland Islands**: **2%** of the local population is employed in hospitality and **5%** are furloughed



Economic and Fiscal Impact

This section considers the economic and fiscal impacts for the hospitality sector under each scenario.

Scenarios Considered

Scenario 1

- Restrictions on the hospitality sector as based on the levels in place across Scotland up to 10th December

Scenario 2

- Restrictions on the hospitality sector as based on the levels in place across Scotland from 11th December

Scenario 3

- 10:30pm closing time if serving meals
- Limited 2 hour stay, alcohol serviced with meal
- Applies to level 1, 2 & 3 areas

Scenario 4

- 10:30pm closing time if serving meals
- 8pm closing time if not serving meals
- Restrictions on length of stay, drinks, people
- Applies to level 1, 2 & 3 areas

Scenario 5

- 10:30 pm closing time for all hospitality businesses
- Same restrictions as Scenario 2
- Applies to level 1, 2 & 3 areas

Economic Impact of Scenario 1: Assumptions

Restrictions on the hospitality sector as based on the levels in place across Scotland up to 10th December.

The following assumptions were made across the existing level system and applied to the number of businesses operating in each local authority accordingly :

- Level 0: 100% of hospitality businesses open; with 72% of 2019 turnover; and 90% of 2019 employment
- Level 1: 100% of hospitality businesses open; with 57% of 2019 turnover; and 80% of 2019 employment
- Level 2: 100% of licensed restaurants and pubs serving food open (0% of wet-led pubs); with 39% of 2019 turnover; and 50% of 2019 employment
- Level 3: 100% of licensed restaurants open, 33% of pubs serving food and 0% of wet-led pubs; with 22% of 2019 turnover; and 40% of 2019 employment
- Level 4: 0% of hospitality businesses open therefore 0% of both 2019 turnover and employment

Economic Impact of Scenario 1: GVA

Under the restrictions as at 10th December, **44% of businesses were operating**, generating a **turnover of £276 million.**

Based on the set of restrictions in place as of the 10th of December, the annual **turnover** in the hospitality sector was estimated to be **£276 million**.

This would generate an an economic impact of **£362 million GVA per year**, inclusive of:

- £128 million GVA from direct impacts
- £195 million GVA from supply chain impacts
- £39 million GVA from induced impacts

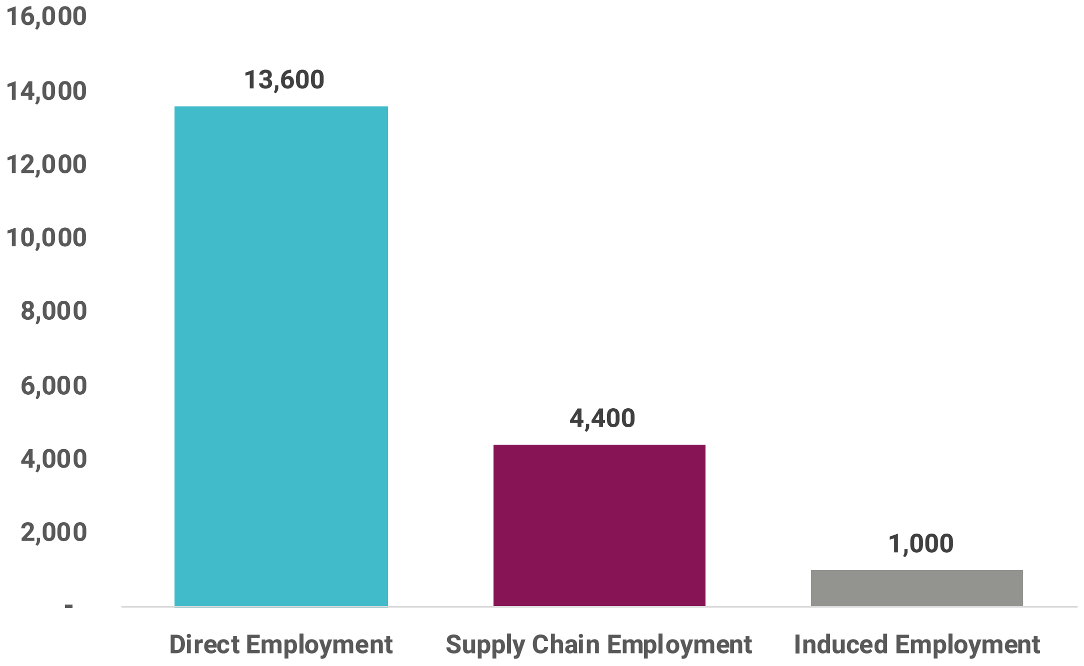
Under these restrictions the sector could generate **£5 million in turnover** and **£7 million GVA per week**.

Economic Impact of Scenario 1: Jobs

Under the restrictions as at 10th December, the hospitality sector supported **19,100 jobs.**

Based on the set of restriction in place as of the 10th of December, the hospitality sector supported **19,100 jobs**, of which:

- 13,600 jobs came from direct impacts
- 4,400 jobs from supply chain impacts
- 1,100 jobs from induced impacts



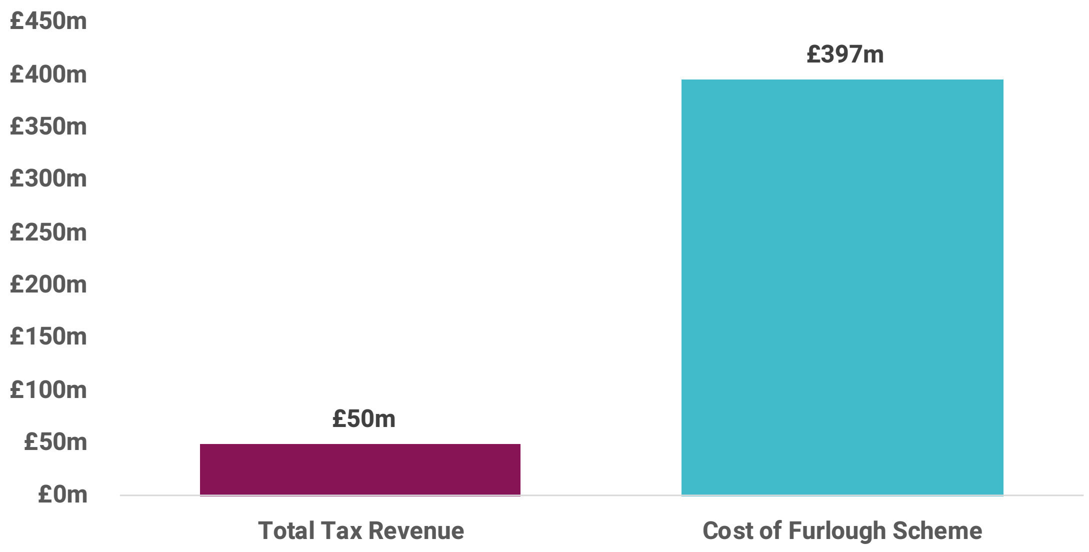
Fiscal Impact of Scenario 1

The net fiscal cost under scenario 1 is estimated to be **-£347 million.**

The annual fiscal impact arising from the restrictions includes:

- -£397 million furlough costs
- +£50 million tax revenues

The net fiscal cost of this scenario is **-£347 million.**



Economic Impact of Scenario 2: Assumptions

Restrictions on the hospitality sector as based on the levels in place across Scotland from 11th December.

The following assumptions were made across the existing level system and applied to the number of businesses operating in each local authority accordingly :

- Level 0: 100% of hospitality businesses open; with 72% of 2019 turnover; and 90% of 2019 employment
- Level 1: 100% of hospitality businesses open; with 57% of 2019 turnover; and 80% of 2019 employment
- Level 2: 100% of licensed restaurants and pubs serving food open (0% of wet-led pubs); with 39% of 2019 turnover; and 50% of 2019 employment
- Level 3: 100% of licensed restaurants open, 33% of pubs serving food and 0% of wet-led pubs; with 22% of 2019 turnover; and 40% of 2019 employment
- Level 4: 0% of hospitality businesses open therefore 0% of both 2019 turnover and employment

Economic Impact of Scenario 2: GVA

Under the restrictions in place from 11th December, **68% of businesses will be operating,** generating a **turnover of £419 million.**

Based on the set of restrictions in place as of the 11th of December, the annual **turnover** in the hospitality sector is estimated to be **£419 million**.

This would generate an economic impact of **£486 million GVA per year**, inclusive of:

- £203 million GVA from direct impacts
- £222 million GVA from supply chain impacts
- £61 million GVA from induced impacts

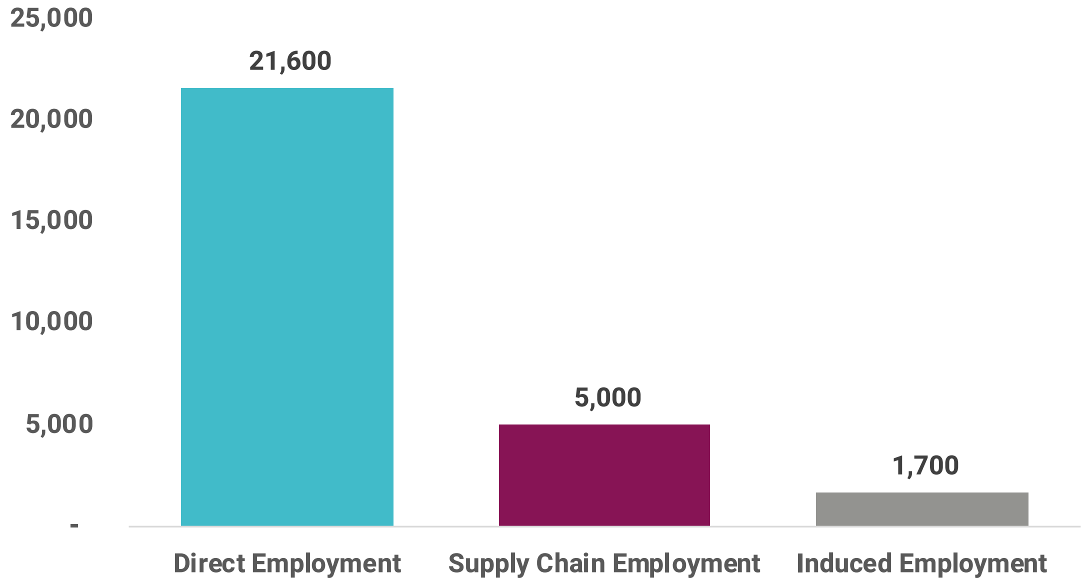
Under these restrictions the sector could generate **£8 million in turnover** and **£9 million GVA per week**.

Economic Impact of Scenario 2: Jobs

Under the restrictions from 11th December, the hospitality sector is estimated to support **28,300 jobs.**

Based on the set of restrictions in place as of the 11th of December, the hospitality sector could support up to **28,300 jobs,** inclusive of:

- 21,600 jobs from direct impacts
- 5,000 jobs from supply chain impacts
- 1,700 jobs from induced impacts.



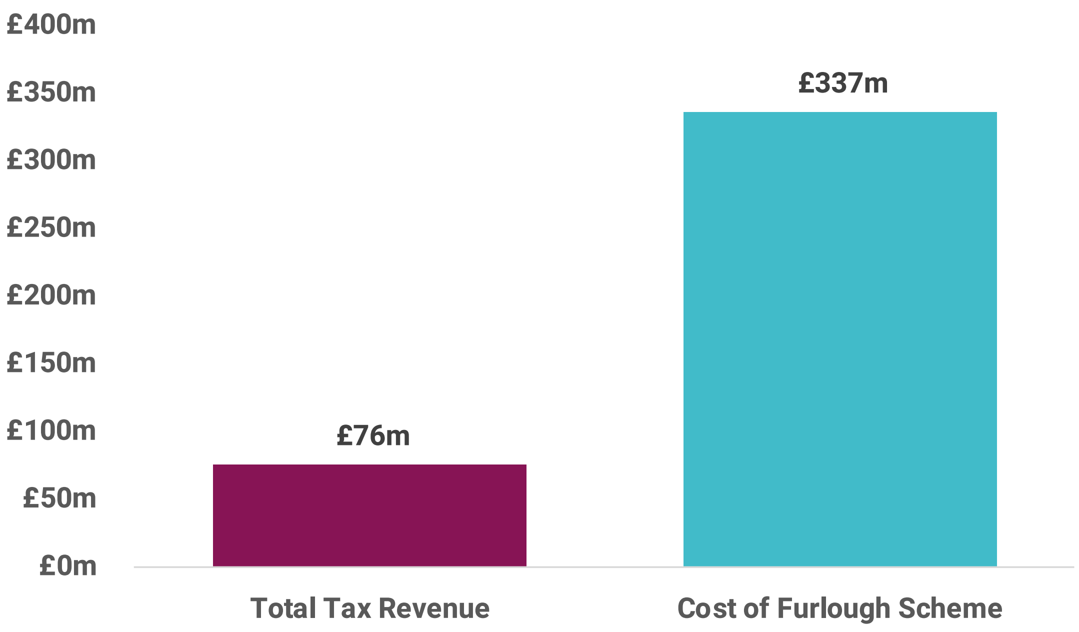
Fiscal Impact of Scenario 2

The net fiscal cost under scenario 2 is estimated to be **-£261 million.**

The annual fiscal impact arising from the restrictions includes:

- -£337 million furlough costs
- +76million tax revenues

The net fiscal cost of this scenario of **-£261 million.**



Economic Impact of Scenario 3: Assumptions

Under scenario 3, hospitality businesses can:

- trade until **10.30pm** if they **serve a main meal**
- restrictions on length of stay, drinks, people
- applied to level 1, 2 and 3 areas

It was assumed that:

- 100% of restaurants and businesses would be operating
- no wet-led pubs would be operating
- licensed restaurants and pubs serving food would achieve 57% of 2019 turnover
- licensed resteraunts and pubs serving food would operate at 80% of 2019 turnover

Economic Impact of Scenario 3: GVA

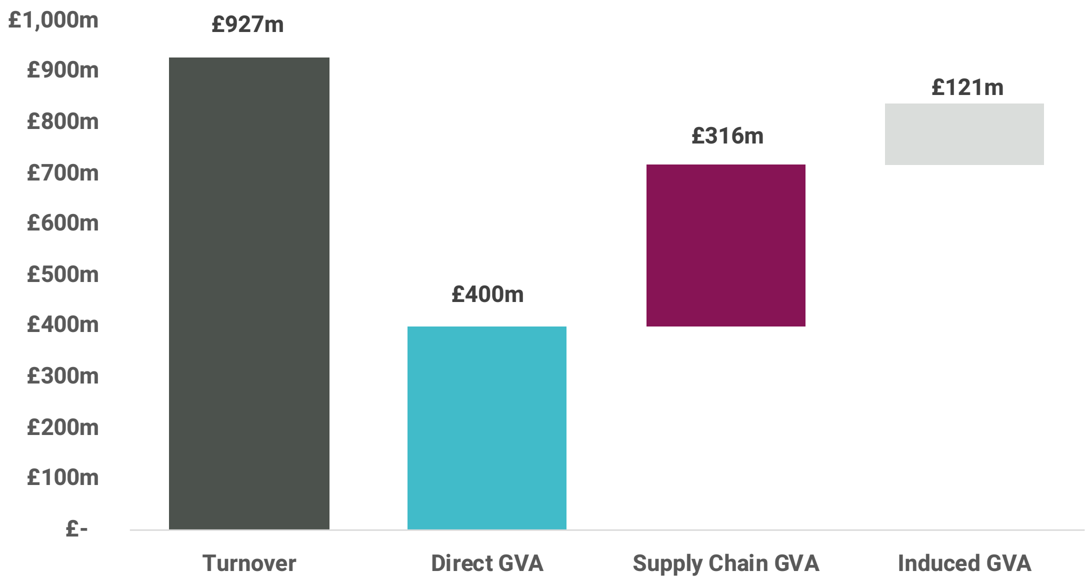
Under scenario 3, **80% of businesses would be operating,** generating a **turnover of £927 million.**

Based on scenario 3, the annual **turnover** in the hospitality sector is estimated to be **£927million**.

Based on scenario 3, the hospitality sector could generate up to **£838 million GVA per year**, inclusive of:

- £400 million GVA from direct impacts
- £316 million GVA from supply chain impacts
- £121 million GVA from induced impacts

Under these restrictions the sector could generate **£18 million in turnover and £16 million GVA per week.**

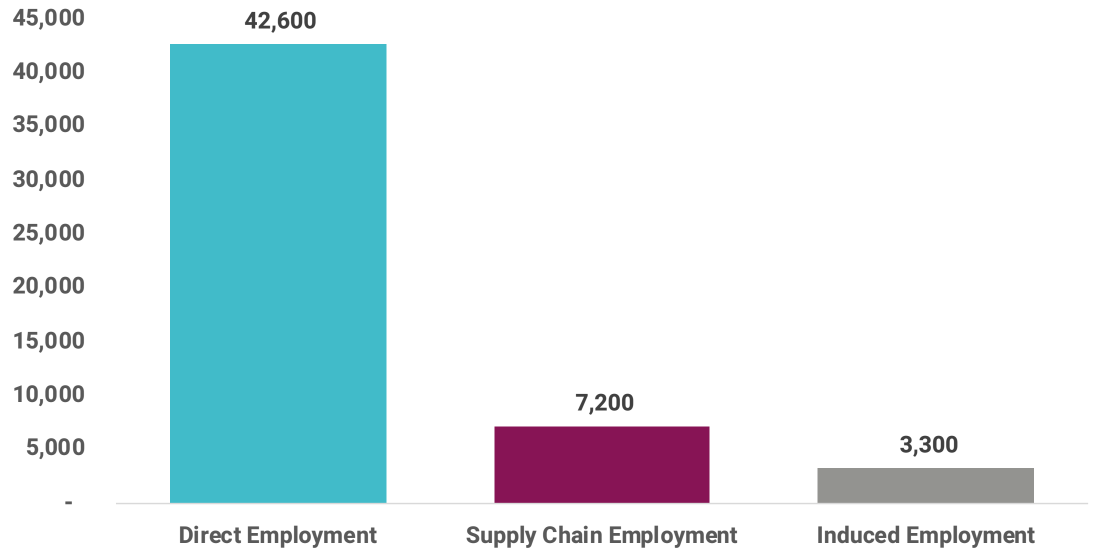


Economic Impact of Scenario 3: Jobs

Under scenario 3, the hospitality sector is estimated to support up to **53,100 jobs.**

Based on scenario 1, the hospitality sector could support up to **53,100 jobs**, inclusive of:

- 42,600 jobs from direct impacts
- 7,200 jobs from supply chain impacts
- 3,300 jobs from induced impacts.



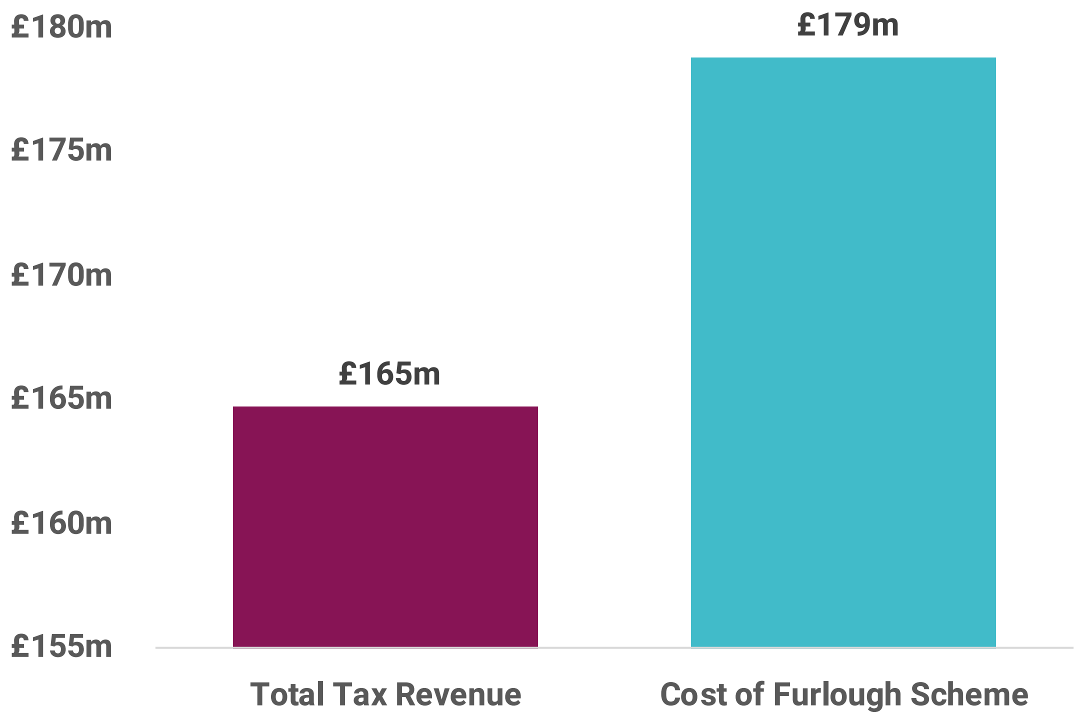
Fiscal Impact of Scenario 3

The net fiscal cost under scenario 3 is estimated to be **-£14 million**.

The annual fiscal impact arising from the restrictions includes:

- -£179 million furlough costs
- +£165 million tax revenues

The net fiscal cost of this scenario is **-£14 million.**



Economic Impact of Scenario 4: Assumptions

Under scenario 4, hospitality businesses can:

- trade until **10.30pm** if they **serve a main meal**
- **wet-led pubs can trade until 8pm**
- restrictions on length of stay, drinks, people
- applied to level 1, 2 and 3 areas

It was assumed that:

- 100% hospitality businesses would be operating
- licensed restaurants and pubs serving food would achieve 57% of 2019 turnover
- wet-led pubs would achieve 39% of 2019 turnover
- licensed restaurants and pubs serving food would operate at 80% of 2019 turnover
- wet-led pubs would operate at 50% of 2019 employment

Economic Impact of Scenario 4: GVA

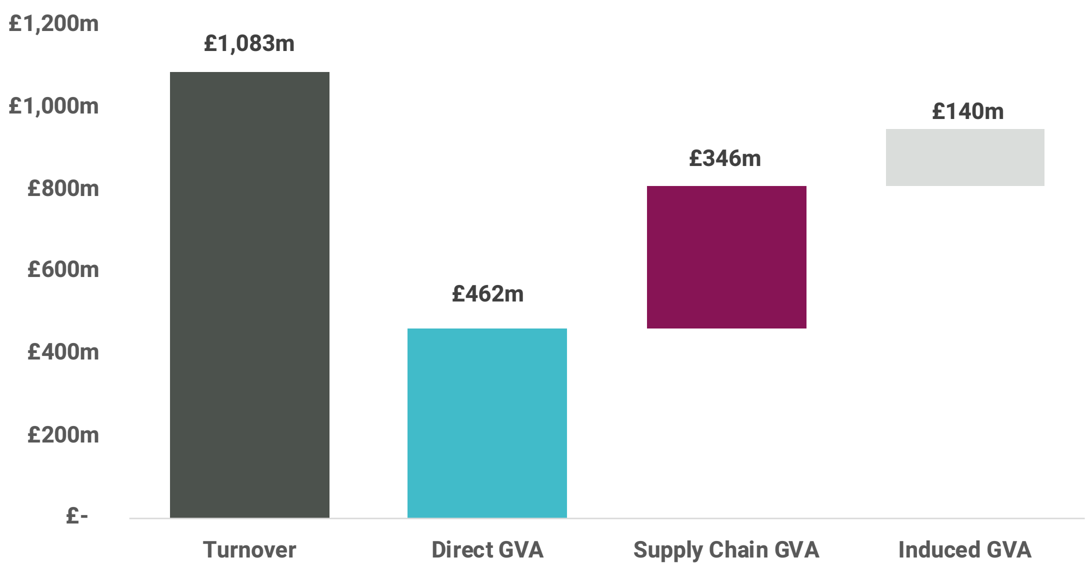
Under scenario 4, **100% of businesses would be operating,** generating a **turnover of £1.1 billion.**

Based on scenario 3, the annual **turnover** in the hospitality sector is estimated to be **£1,083 million.**

Under this scenario, the hospitality sector could generate up to **£947 million GVA per year**, inclusive of:

- £462 million GVA from direct impacts
- £346 million GVA from supply chain impacts
- £140 million GVA from induced impacts

Under these restrictions the sector could generate **£21 million in turnover and £18 million GVA per week.**

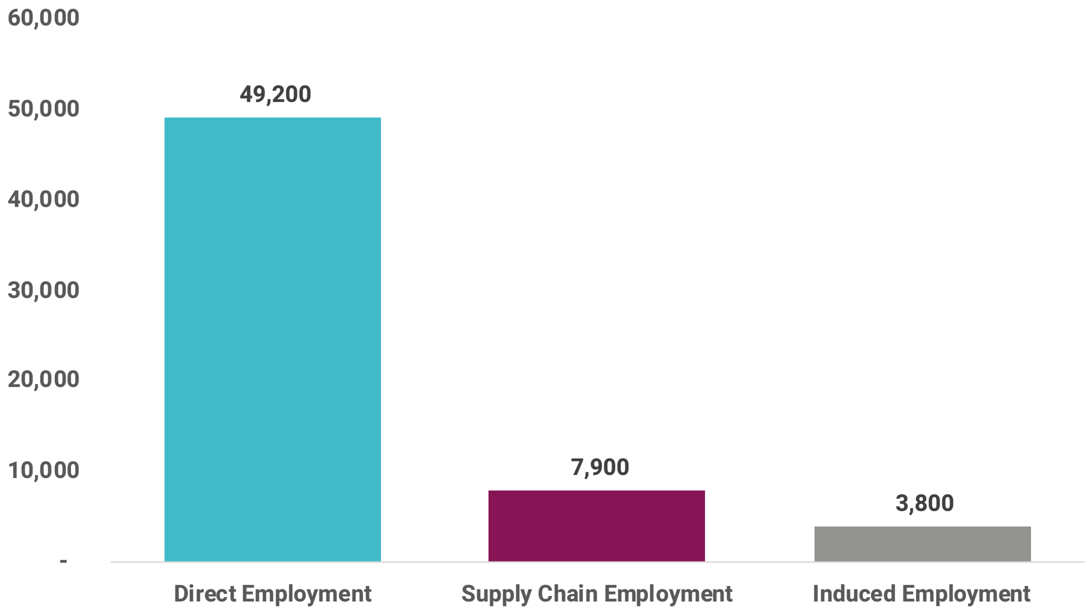


Economic Impact of Scenario 4: Jobs

Under scenario 4, the hospitality sector is estimated to support up to **60,900 jobs.**

Based on scenario 4, the hospitality sector could support up to **60,900**, inclusive of:

- 49,200 jobs from direct impacts
- 7,900 jobs from supply chain impacts
- 3,800 jobs from induced impacts



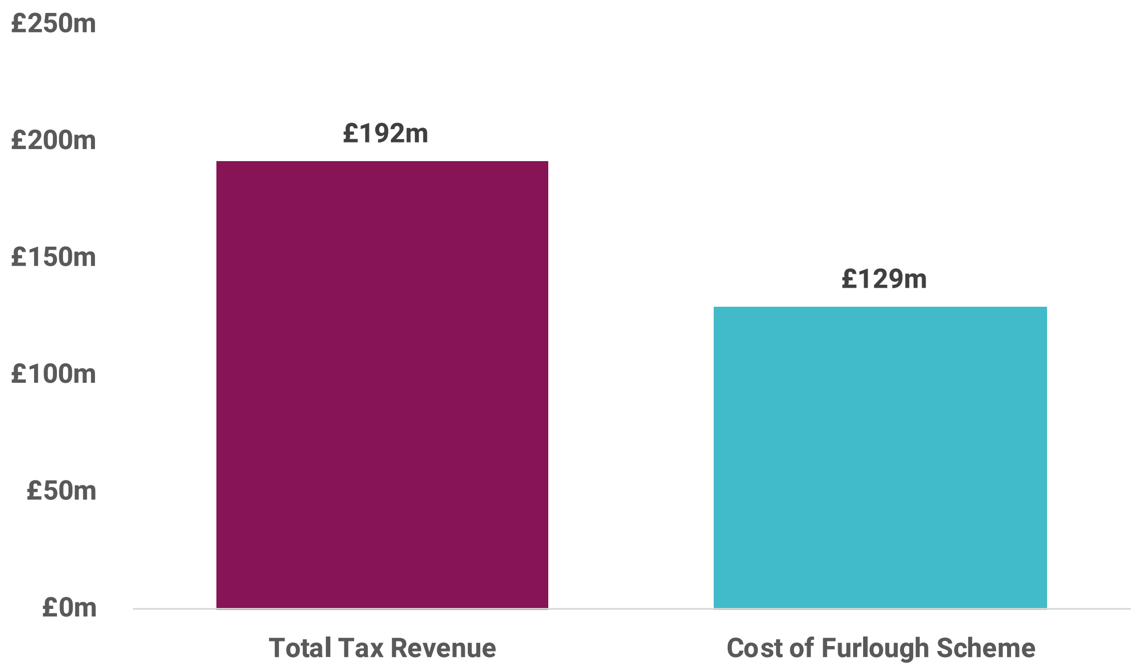
Fiscal Impact of Scenario 4

The net fiscal benefit under scenario 4 is estimated to be **£63 million**

The annual fiscal impact arising from the restrictions includes:

- -£129 million furlough costs
- +£192 million tax revenues

The net fiscal cost of this scenario is **£63 million.**



Economic Impact of Scenario 5: Assumptions

Under scenario 5, all hospitality businesses can:

- trade until **10.30pm**
- restrictions on length of stay, drinks, people
- applied to level 1, 2 and 3 areas

It was assumed that:

- 100% hospitality businesses would be operating
- businesses would achieve 57% of 2019 turnover
- businesses would operate at 80% of 2019 employment

Economic Impact of Scenario 5: GVA

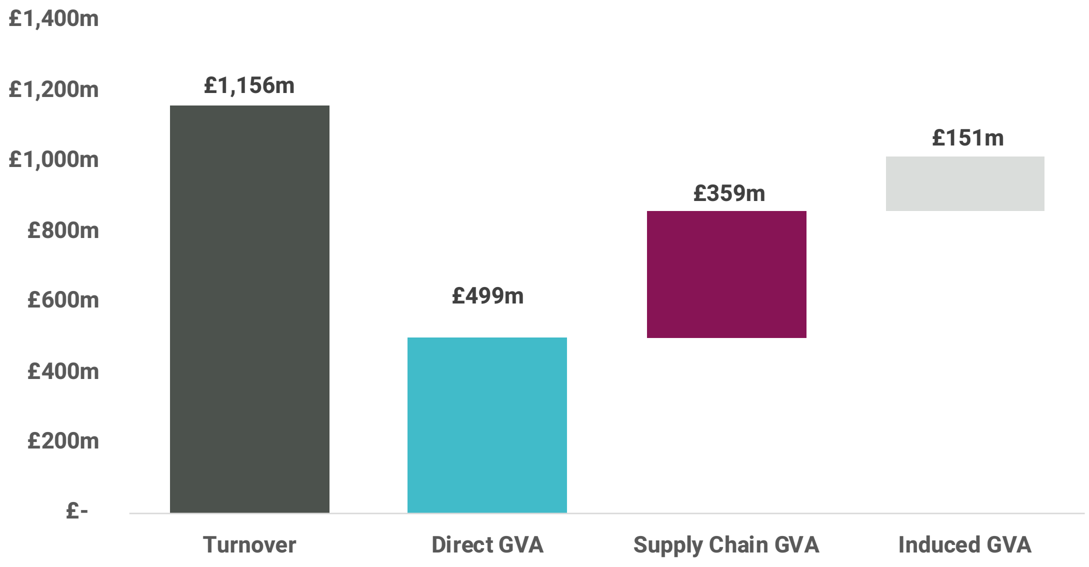
Under scenario 5, **100% of businesses would be operating,** generating a **turnover of £1.2 billion.**

Based on scenario 5, the annual **turnover** in the hospitality sector is estimated to be **£1,156 million.**

Under scenario 5, the hospitality sector could generate up to **£1,009 million GVA per year**, inclusive of:

- £499 million GVA from direct impacts
- £359 million GVA from supply chain impacts
- £151 million GVA from induced impacts

Under these restrictions the sector could generate **£22 million in turnover and £19 million GVA per week.**

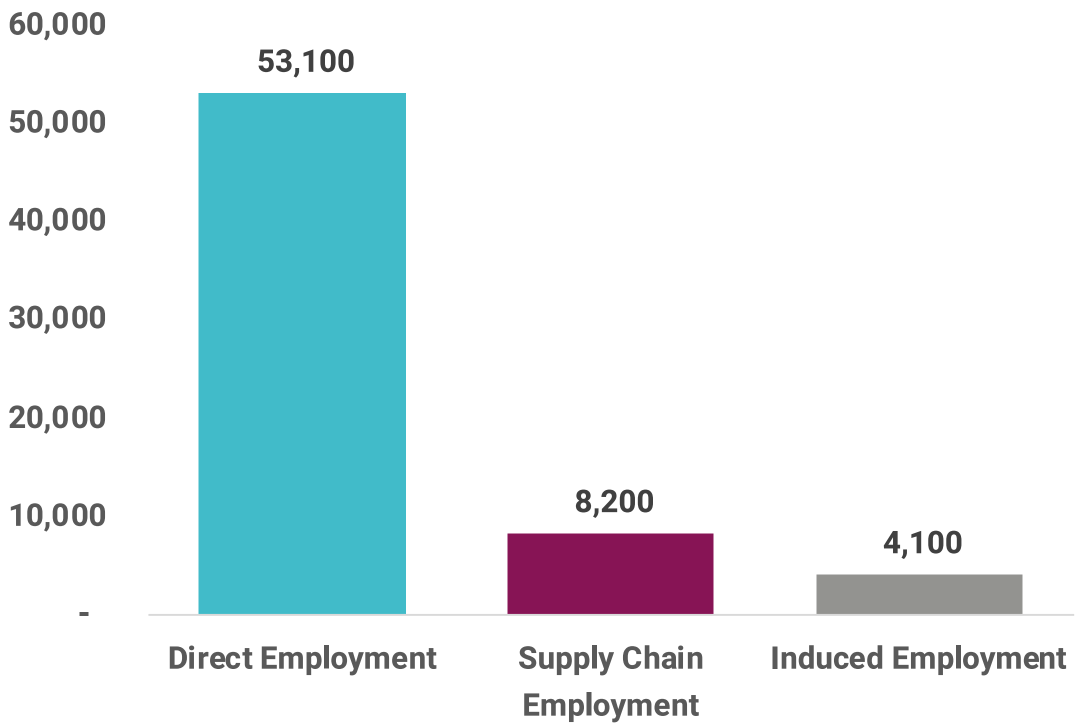


Economic Impact of Scenario 5: Jobs

Under scenario 5, the hospitality sector is estimated to support up to **65,400 jobs.**

Based on scenario 5, the hospitality sector could support up to **65,400**, inclusive of:

- 53,100 jobs from direct impacts
- 8,200 jobs from supply chain impacts
- 4,100 jobs from induced impacts



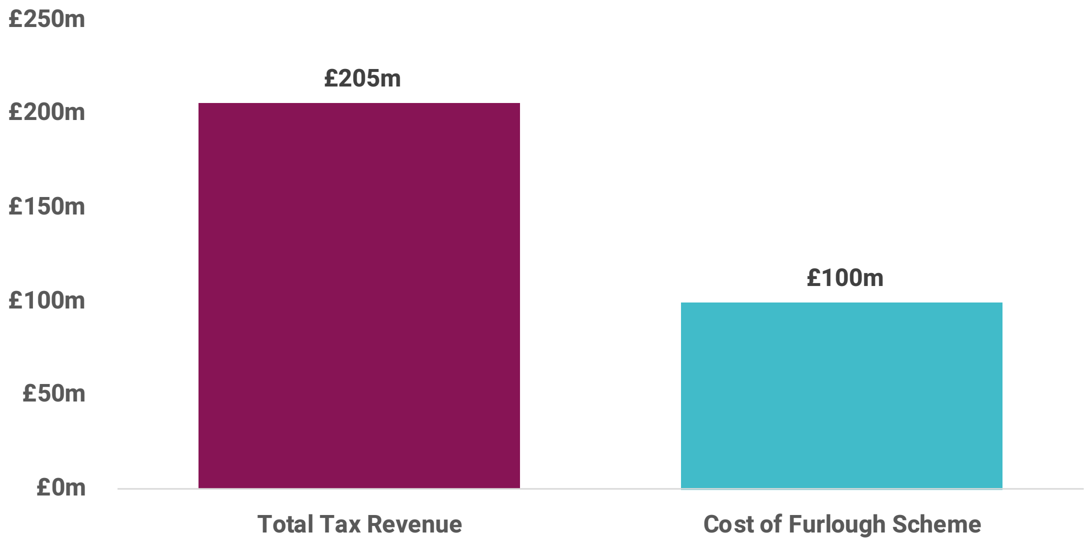
Fiscal Impact of Scenario 5

The net fiscal benefit under scenario 5 is estimated to be **£105 million**

The annual fiscal impact arising from the restrictions includes:

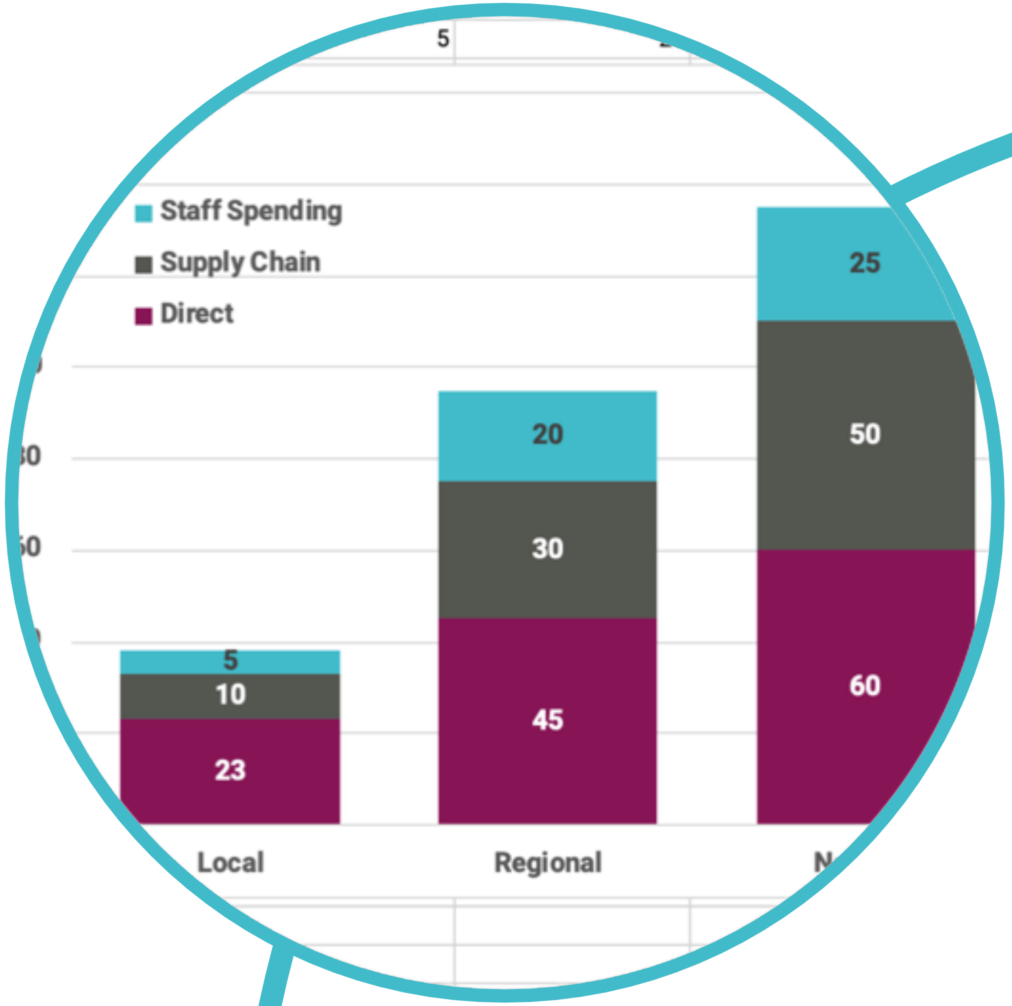
- -£100 million furlough costs
- +£205 million tax revenues

The net fiscal cost of this scenario is **£105 million.**



Methodology

Approach to the analysis and sources of data



Units of Measurement and Definitions

In this analysis of the economic impacts of government restrictions on the hospitality sector in Scotland, the following measures of economic performance have been used:

- Gross Value Added (GVA), a measure of the value that an organisation, company or industry adds to the economy through its operations. In practice, it is generally estimated as the income of an organisation minus its non-staff costs.
- GVA per employee, the ratio of GVA to the number of employees working in an industry, is a commonly used measure of sectoral productivity.
- Turnover is the total income received by the business from trading.
- Employment, which is expressed in full-time equivalent jobs (FTE) for each local authority.
- Turnover per employee, the ratio of turnover to the number of employees working in an industry, is a commonly used measure of the turnover that supports one job in the industry.
- Turnover to GVA, the ratio of turnover to GVA.
- GVA and Employment multipliers: which captures the wider impacts from a direct economic impact, including:
  - Indirect (supplier) multipliers capture the benefits associated with suppliers of bought in goods and services
  - Induced (income) multipliers capture the benefits from employees spending wages.

Data Sources for Analysis Assumptions

- Assumptions on turnover, GVA, staff costs and supply chain costs were based on the *Scottish Government (2020) Scottish Annual Business Statistics (SABS) 2018*
- Employment data for the sector baseline were sourced from the *ONS (2020) Business Register and Employment Survey (BRES) 2019*
- Sectoral composition of the hospitality sector supply chain was based on IndustryXIndustry Matrix for “Food and beverage service activities” (SIC 56) from the *Scottish Government (2020) Supply, Use and Input-Output Tables 2017*
- GVA and Employment Multipliers were sourced from *Scottish Government (2020) Supply, Use and Input-Output Tables 2017*
- Data on the number of businesses by local authority were sourced from the *ONS (2020) UK Business Counts 2019*
- Assumptions on household expenditure were based on the ONS (2019), *Detailed household expenditure by countries and regions*
- Assumptions on the different scenarios were based on industry-evidence on expected sales under each scenario, evidence on pub sales by time of the day and government restrictions.
- Under each scenario, the VAT rate paid by hospitality took into account of the 5% reduced rate for hospitality, holiday accommodation and attractions
- Under each scenario, businesses were not assumed to make non-domestic rates payments as based on the Retail, Hospitality and Leisure Relief Scheme.

Appendix

This section provides details on the level of employment and businesses in each local authority in 2019.

Hospitality Businesses by Local Authority in 2019

Local Authority	Number of Businesses in the Hospitality Sector	Employment in the Hospitality Sector
Aberdeen City	260	3,750
Aberdeenshire	185	1,700
Angus	125	950
Argyll and Bute	145	1,400
City of Edinburgh	935	13,000
Clackmannanshire	40	325
Dumfries and Galloway	170	1,300
Dundee City	170	2,000
East Ayrshire	100	750
East Dunbartonshire	60	700
East Lothian	85	900

Hospitality Businesses by Local Authority in 2019

Local Authority	Number of Businesses in the Hospitality Sector	Employment in the Hospitality Sector
East Renfrewshire	50	575
Falkirk	105	1,100
Fife	310	3,000
Glasgow City	885	14,000
Highland	310	3,250
Inverclyde	60	550
Midlothian	60	600
Moray	85	750
Na h-Eileanan Siar	25	200
North Ayrshire	110	950
North Lanarkshire	180	1,700

Hospitality Businesses by Local Authority in 2019

Local Authority	Number of Businesses in the Hospitality Sector	Employment in the Hospitality Sector
Orkney Islands	15	200
Perth and Kinross	175	1,750
Renfrewshire	170	2,150
Scottish Borders	120	1,050
Shetland Islands	25	275
South Ayrshire	125	1,250
South Lanarkshire	280	2,500
Stirling	125	1,800
West Dunbartonshire	65	750
West Lothian	120	1,200
Scotland	**5,675**	**66,000**

 —

Contact

Graeme Blackett
graeme@biggareconomics.co.uk
07890 998147

BiGGAR Economics

 —