

The Rt Hon Jeremy Hunt MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
Westminster
London
SW1A 2HQ

22nd November 2022

By email to: public.enquiries@hmtreasury.gov.uk

Dear Chancellor,

Warehousing Sector Penalised by Unfair Business Rates

The publication of the Draft List for the 2023 Revaluation of Business Rates today has alarmed many of our 900 Member companies. We therefore believe it is essential for the UK Warehousing Association to alert you to the damage these new business rates will cause our sector, and by association, the wider economy.

- Vacancy rates are at an all-time low and it is Government's failure to fix the planning system which has driven rateable values up by skewing the supply & demand of warehouse property.
- The antecedent valuation date of April 2021 is unfair: warehousing was supporting the economy during lockdown and consequently values were disproportionately high compared to other sectors.
- In the past we have seen transitional relief caps of 10% + inflation, so the 30% cap for large buildings is much less helpful than we hoped for and the assumption that companies with larger buildings need less support indicates contempt for our sector.
- Retail, Leisure & Hospitality are already benefiting from 50% rates relief which will now increase to 75%, yet no such relief has been offered for warehousing, which is a key component of the supply chains for those other sectors.
- Third-party warehousing service-providers with typically low profit margins are facing untenable increases in rents, labour costs and energy costs already. Adding such eye-watering increases in business rates with so little transitional relief, will force some out of business, leading to supply chain disruption, which has the potential to damage the economy.

I would be extremely grateful for the opportunity to meet with you and your officials to discuss our concerns about this subject in more detail and explore options to improve business protection.

I look forward to your reply and to meeting with you soon.

Yours sincerely,



Clare Bottle
Chief Executive