



18th March 2020

Rt Hon Rishi Sunak
Chancellor of the Exchequer
HM Treasury
1 Horseguards Road
Westminster, LONDON
SW1A 2HQ

Dear Chancellor

BUSINESS RATES RELIEF – FOOD STORAGE FACILITIES

We welcome the substantial support package you announced for business across the country to help get us through the coronavirus pandemic. I must however urge you to consider extending your commitment to 100% rate relief so that it covers not only the shops, cafes and restaurants but also the storage and transport hubs that will also suffer dramatic temporary drop off in trade.

Today, food supply chain businesses are working at fast pace to meet the unprecedented demand in the retail sector. However, we believe that this demand peak is temporary, in a matter of days demand is going to reduce dramatically and stay low for a period of several weeks. Demand has already dropped for businesses serving catering, food service and specialist needs like airline food - in the last case by up to 90%.

Supply chain businesses, even small businesses, have big turnovers, operating from large premises with high business rate bills, they also rely on expensive equipment and vehicles that are usually purchased or hired with lending. Whilst the turnovers are big, the margins are small, much smaller than those of retail or catering businesses. Supply chain interruption and slow down, will remove the main income for food storage warehouse - the fees for receipt, handling and distribution that businesses charge for moving stock in to and out of their facilities. When this income slows down dramatically, as it already has for some key catering linked industries, it will have a dramatic impact on cash flow, putting a number of otherwise viable business at peril of bankruptcy.

The opportunity to borrow on a bridging basis, to subsidise operating and labour costs, is not a realistic business strategy for many high turnover, low margin businesses. These businesses need help to reduce their cost exposure.



In the same way that you have provided relief and grants to the businesses whose empty premises and closed signs are easily visible to us all, we urge you to provide support to the more hidden, but no less vital businesses that they rely on to fill their shelves and kitchens.

Given the urgency of action, and for simplicity we urge you to extend 100% rate relief to transport and storage facilities in the food supply chain.

I seek urgent discussion with the relevant officials, on this matter and am copying this to relevant officials and ministers in the Department for Business.

Yours sincerely

A handwritten signature in black ink that reads "Shane Brennan". The signature is written in a cursive style with a large, stylized "S" and "B".

Shane Brennan
Chief Executive



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